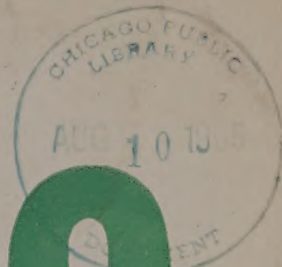


AUGUST 6, 1955



foreign trade



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foreign trade

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COVER An Iraqi merchant sits by the side of the road in Kirkuk, in the fertile northern part of the country, and waits for customers to buy his fresh fruit. With a fixed proportion of oil revenues going into development projects, life for the young lad in the picture will probably be easier than it has been for his father. (See story on page six.)

—Photo courtesy Iraq Petroleum Company.

CANADA

and the GATT negotiations

This statement prepared for "Foreign Trade" by the Rt. Hon. C. D. Howe, Minister of Trade and Commerce, summarizes the principal amendments made in the General Agreement on Tariffs and Trade at the Ninth Session of the Contracting Parties held in Geneva from October 1954 to March 1955.

BROADLY SPEAKING, the amendments that it is now proposed to introduce into the General Agreement on Tariffs and Trade are not very extensive nor very startling. The GATT, when amended, will not be very substantially changed. Here, however, I shall emphasize the points of difference.

With a few isolated exceptions, the tariff rates that were formerly bound were rebound for 2½ years until the end of December 1957. Thereafter, the time limit is to be automatically extended every three years, with provision for adjustments at the end of each period. Hence Canadian exporters can once again look forward to a period of tariff stability in their main markets abroad.

The United States Administration has been granted some rather modest tariff-cutting powers by Congress. These might lead to some further tariff reductions which would, of course, be welcome. Having in mind, however, the scale on which the United States will be able to offer concessions in its tariff in exchange for concessions by other countries, there does not seem to be much likelihood of any very extensive tariff negotia-

tions in the near future. In other words, the present outlook is for a period of general tariff stability. The negotiations for the adherence of Japan to the GATT, in which Canada has participated, are concluded and the results in so far as they affect Canada were recently announced by me.

Some Exceptions Possible

Apart from a few exceptions, as I have already mentioned, the previously bound tariff rates have been rebound. The Minister of Finance has already given an indication of certain items to be increased in the Canadian tariff. The new GATT rules will allow some strictly limited flexibility; a country wishing to increase a bound rate may approach the Organization with a request for permission to renegotiate it and an offer to reduce some other rate or rates by way of compensation. The introduction of greater flexibility by explicit provisions for adjustment and renegotiation of bound tariffs at the end of each period of binding could represent a threat to the stability of the existing structure of tariffs. Theoretically, a process of unravelling could get started. One should not be dogmatic in this field but I am inclined to feel that this danger is more theoretical than real. I have come to the conclusion that all the principal trading countries are acutely aware of the dangers of starting the process of unravelling and will proceed cautiously. No one in his senses wants to return to the kind of tariff wars that so bedevilled the world in the early 1930's and which so greatly added to the problems of unemployment and falling incomes during the Great Depression. It is clear that the general intention of GATT members is to make very sparing use of the exceptional facilities for tariff adjustments.

Balance of Payments Difficulties

Prior to the Review Session of GATT, there was a growing feeling in Canada and elsewhere that the time had arrived to review the GATT rules of trade per-

mitting countries in balance of payments difficulties to impose quantitative restrictions. We felt that new and strengthened rules should be adopted and administered in an effective manner. While the new rules do not go as far as we would like, they have been improved and it is hoped that the GATT will be more effective henceforth in this field.

It has now been agreed that there will be a general review of all restrictions being applied for balance of payments reasons, as soon after the entry into force of the amended Agreement as the contracting parties are equipped to deal with the task. After the review of existing restrictions is initiated, contracting parties still maintaining restrictions for balance of payments reasons will be required each year to consult with the Organization regarding the nature of their difficulties, alternative corrective measures which may be available, and the effect of their restrictions on other participating countries.

Not only will these consultations be more searching, therefore, than in the past, but the governments applying restrictions will be required to consult. Since the consultations did not previously involve all countries applying restrictions, the new rules are definitely strengthened in this respect. In cases where it is concluded from the consultations that the restrictions are not consistent with the provisions of the Agreement, it is now provided that the contracting parties shall make appropriate recommendations for securing compliance within a specified period.

The United States Waiver

Even these brief comments should include reference to the United States waiver. The United States Government had been faced with a conflict between its commitments to other countries under the GATT and the requirements of its agricultural legislation as set forth in Section 22 of the Agricultural Adjustment Act. This was a matter of special concern when the Agreement was being reviewed and a permanent organization was being contemplated. Section 22 provides for the imposition of import restrictions and for the levying of fees upon imported agricultural products which threaten to interfere with programs of the United States Department of Agriculture. The United States Government requested the contracting parties to the General Agreement to grant it a waiver of its obligations in order to remove this conflict. When the matter came to a vote, Canada opposed the granting of the waiver.

Canadian Government's View

Because of the importance to Canada and to GATT of the problems raised by the United States agricultural waiver, I will include part of the statement made on March 5 by the Canadian Delegation, acting under

instructions, after the vote had been taken which resulted in the granting of the waiver.

I quote:

"The Canadian delegation considers it necessary to make the following observations concerning the important decision that has just been taken by the contracting parties to grant the United States a waiver from its GATT obligations relating to quantitative restrictions and fees imposed on the importation of agricultural products.

"We have on several occasions explained to the contracting parties the importance to Canada of exports of agricultural products to the United States. Canada is not, of course, the only country affected by the decision which has just been taken. Many countries here represented are dependent on the United States market for a significant part of their agricultural exports. We think it is true to say, however, that no contracting party is more affected by this decision than Canada. Two-thirds of our total foreign trade is with the United States and an important part of that trade is in the field of agriculture. Tariff negotiations between Canada and the United States have been the most extensive of all the negotiations held under the General Agreement. Among the most important concessions we have paid for are concessions by the United States on agricultural products covering a large part of our total agricultural exports. It is these exports and these concessions that are threatened by the waiver which the contracting parties have now decided to grant. Action which the United States can take under this waiver to restrict our exports could serve to unbalance our tariff bargain with that country. Contracting parties will appreciate therefore how seriously the Canadian Government must regard the waiver just granted to the United States and how closely they will observe the future behaviour of the United States pursuant to it.

"Although the United States waiver does not contain a terminal date this does not mean and could not possibly mean that the United States is relieved for an indefinite period from its obligations under Article II or Article XI. On the contrary, the contracting parties have it clearly within their power at any time to modify the terms of the waiver or indeed to withdraw it entirely. Furthermore, all waivers including the present waiver are in effect granted conditionally; they are granted subject to good behaviour having in mind the terms of the Agreement and the interests of all the contracting parties. Indeed that is one of the main purposes of the provision for an annual review contained in the United States waiver.

"We wish to emphasize this point because it is our intention should restrictions be threatened under this waiver against Canadian agricultural exports to press

just as strongly as we have in the past for adherence to the provisions of Articles II and XI. In particular we shall continue to press for adherence by the United States to the principle of 'fair shares'.

"If such an obligation had been accepted by the United States our attitude to their request might well have been different.

"We wish to make one point clear however. Even though the waiver does not impose a firm obligation on the United States in respect to normal trade we would regard it as unreasonable and unwarranted if the United States were to use this waiver to exclude normal imports—that is, imports which would have entered normally and in the absence of any United States price support or other domestic agricultural programs. Should such a situation develop the contracting parties would in our view be entirely justified in withdrawing the waiver and we would so recommend.

"Finally, Mr. Chairman, my delegation would emphasize again the extremely difficult position created for the Canadian Government by the decision to grant this waiver to the United States. This important country has now been relieved of its formal obligations under the GATT in the agricultural field.

"The Canadian Government will be watching the course of events very closely. The Canadian Government feels sure that any action which it may feel compelled to take as a consequence of action under this waiver will be recognized in a sympathetic and understanding manner by the contracting parties which have now assumed the responsibility for granting this sweeping dispensation to the United States."

This is the end of the quotation.

Reserving Judgment

This waiver represents a regrettable event in the commercial relations between Canada and the United States but its importance should not be exaggerated. The fact that the United States has been granted a waiver from its obligations with respect to import restrictions on agricultural products does not mean that the United States is about to impose new and severe restrictions on imports from Canada. Nor does it mean that Canada has been deprived of any of its rights under the GATT to take whatever action would be appropriate if the United States were to embark on such a course.

I do not believe that we are going to run into any insuperable difficulties in our agricultural trade with the United States. Our experience to date would not justify such a pessimistic conclusion. The important thing is not that the United States has been granted a waiver, although in my opinion it would have been

better for all concerned, and for the GATT, if the request had never been made. The important thing is how the United States acts under the waiver. It is up to all of us, I suggest, to reserve judgment and to avoid jumping to hasty conclusions.

"Hard Core" of Import Restrictions

Special measures were agreed upon at the GATT session to enable countries in improved financial circumstances to retain some of their restrictions which had been justified for balance of payments reasons, during a period in which they are dismantling the bulk of their import restrictions. In Europe, as in the United States, one of the central problems is how to deal with import restrictions, some of which have been in effect in many European countries for a quarter of a century. These restrictions are mainly agricultural. At the recent session of the GATT, this problem was studied at great length and a procedure worked out for the gradual elimination of what is termed the "hard core" of import restrictions which are likely to remain even when balance of payments difficulties have been eliminated.

The contracting parties recognized, quite rightly, the possibility of short-term transitional difficulties being encountered by these countries which are moving towards convertibility and the dismantling of quantitative restrictions. Countries in this position may until December 31, 1957, request the right to maintain restrictions on specific products, a dispensation which cannot run for longer than five years. The merits of each request will be considered in detail and the contracting parties must be satisfied that there is a reasonable prospect of eliminating the particular restriction in question over a comparatively short period of time. During the period when the restriction is in force, fair and reasonable imports must be permitted and there must be a progressive relaxation of the restriction during the time limit. These requirements are accompanied by provisions for detailed reports and consultations.

Problems of Under-Developed Countries

The recent negotiations at Geneva were also confronted with another type of problem. Many of the countries which participate in the General Agreement on Tariffs and Trade are among the economically under-developed countries of Asia and Latin America. These countries are faced with real difficulties, which the rest of us recognize. They are not going to be able at an early date to participate fully in the reduction of trade barriers and the attainment of the convertibility of world currencies. Most of these countries are still in need of our sympathetic aid and assistance in the solution of their own problems. It is in the interest of more advanced countries like Canada to meet them in this

spirit. We did this by in effect writing a GATT within a GATT to deal with their special problems.

The General Agreement has always recognized the need to encourage and facilitate the development of under-developed countries. This is consistent with the long-term objectives of the GATT. The revised Agreement is intended to reduce to a minimum the conflict which may arise between the requirements of economic development and the short-term commercial interests of supplying countries. At the same time, procedures have been worked out to allow an under-developed country, under the supervision of the contracting parties, to use tariffs, subsidies or non-discriminatory restrictions on imports for a temporary period, to foster the growth of a new industry important to its economic development. Considering the degree of consultation and supervision which enters into these procedures, and the provisions for compensation which have been written into the Agreement, we regard these measures as reasonable.

Organization for Trade Co-operation

Finally, it was decided to recommend that a permanent Organization be created to administer the General Agreement. This organization, which would be known as the Organization for Trade Co-operation, would replace the International Trade Organization of 1948 which never came into existence because it failed to obtain the approval of the Congress of the United States. Although we are in favour in principle, the Canadian Government, like the governments of most other countries, will, before making a final decision, watch to see what action is taken by Congress to approve the establishment of this new organization.

Apart from the protocol relating to the establishment of the Organization for Trade Co-operation with respect to which we are awaiting United States action, and certain amendments consequent upon the establishment of this new organization, Canada has approved the amendments agreed upon at the recent session of the contracting parties.

Next Steps

The permanent organization will come into being when accepted by countries representing 85 per cent of GATT trade. Most of the amendments of the trade rules and other parts of GATT will come into effect when two-thirds of the countries accept them and this process may take a good many months. Meanwhile, of course, the present Agreement will stand and will continue to guide and govern relationships between the contracting parties. By common consent, however, one of the new sections comes into effect forthwith: this is the section relating to under-developed countries. Further, the new binding of tariff schedules came into effect on July 1st of this year. ●

AUGUST 6, 1955

India Sets Up National Bank

THE 252 MILLION INDIANS who live in rural areas—70 per cent of the total population—stand to benefit from an event that took place early this summer. On July 1, 1955, the former Imperial Bank of India became the State Bank under the chairmanship of Sir John Matthai, the former Minister of Finance. And one of the new Bank's main functions will be to advance long and short-term credits to farmers—an important step if agricultural production is to be increased.

Rural credit facilities are particularly vital in a country like India, where a recent survey put the total indebtedness of the agricultural population at Rs.7,500 million. In most of the rural areas, there are no banking facilities. About 3.1 per cent of the loans sought by cultivators come from co-operatives; the remainder are provided by private credit agencies which demand exorbitant rates of interest. The farmer gets a loan to buy seed and other necessities, backs it with the value of the standing crop, and repays after the harvest.

The former Imperial Bank had branches in over 300 centres throughout India. In anticipation of nationalization, about 62 branches were opened in the last four years. Now the plan is to set up 400 additional branches in rural areas during the next five years, and small privately-owned rural banks will probably amalgamate with the State Bank. The Reserve Bank will make funds available to the "apex" bank in each area at 1½ per cent interest and they in turn will provide loan funds to the co-operatives, as well as making the small savings of the cultivator more productive. It will also function as a commercial bank.

As a corollary of the Bill, the Reserve Bank has been authorized to set up a National Agricultural Credit Fund with an initial capital of Rs.100 million. This fund will be increased at a rate of at least Rs.50 million a year. It will make available loans to State Governments, state co-operative banks, and central land mortgage banks. A stabilization fund has already been established with an initial contribution of Rs.10 million from the Reserve Bank and from this fund will come medium-term loans to state co-operative banks.

In addition, it is proposed to establish a Central Warehousing Corporation for grain storage, with counterparts in all the States.

Headquarters of the National Bank will be in Bombay, with main branches at Calcutta and Madras.

—Wm. JONES,
Commercial Secretary, New Delhi.



Two members of Iraq's Border Police, mounted on camels for their desert duties, photographed in front of one of the oil rigs at the Rumaila field of the Basrah Petroleum Company. Crude oil first flowed here on December 15, 1954.

Substantial proportion of oil revenues in Iraq is devoted to development program now under way. This program spells sales opportunities for alert Canadians and should bring in its wake rising Iraqi income and brisker demand for consumer goods.

MESOPOTAMIA—the land of the Tigris and the Euphrates, of Babylon and Nineveh, the cradle of mankind—is the country known as Iraq today.

It is a country which once had a population of 25 million. Decimated by the Moguls, and particularly Hulagu, grandson of Ghengis Khan, in the 15th century, its irrigation and drainage canals were destroyed and silting and salting were the consequence. Much irrigated land has become desert and its 168 thousand square miles have recently supported only 5½ million inhabitants.

Agricultural Crops Important

Despite the neglect of the last five centuries, Iraq is still one of the important agricultural areas of the Middle East. It produces about 350 thousand tons of dates a year and normally exports 250 thousand tons, or three-quarters of the world's trade in dates. There is evidence, however, of a change in consumer tastes and markets may be harder to find in the future. Every effort is being made to develop new uses in order to keep this regional industry, centered around Basrah, as prosperous as possible.

The plains in the north, around Mosul, produce a variety of cereals, of which barley is the most important. Out of a million-ton harvest in an average year, exports over the past several years have averaged well over 400 thousand tons—about 25 million bushels. Wheat production, at 720 thousand tons in 1953, generally meets local needs. Rice production reaches about 200 thousand tons; some quantities of cotton and tobacco are also grown.

Unlike other countries in the area Iraq has vast water resources and proper flood control, irrigation, drainage and de-salting will do much to bring the country back to a higher level of agricultural production.

This, of course, is being made feasible by the ever-expanding production of petroleum in the country. With output reaching about 625 thousand barrels per day—or two-thirds of that of Kuwait or Saudi Arabia

THE MARKET IN IRAQ

J. P. MANION, Assistant Director,
Economic Planning and Co-ordination,
Trade Commissioner Service.

—oil revenues have until recently been in the neighbourhood of about \$160 million. However, a revision of the agreement early in 1955 now ensures a revenue of about \$220 million with a reasonable hope that it may eventually reach \$280 million.

As a consequence of this assured income, the Iraq Government was able as far back as 1950 to set up a Development Board, which in 1951 earmarked \$15 million for consultant services. These included well-known American and British firms and an integrated plan was rapidly evolved.

Development Projects Begun

Actual development projects were relatively slow in starting and expenditures in 1952 and 1953 amounted to about \$25 and \$35 million respectively. In the meantime the Development Board was accumulating large reserves and it was decided to establish an integrated five-year plan starting in 1955. This plan provides for the expenditure of 303 million dinars over the five-year period, or approximately \$850 million.

Development allocations for 1955 amount to \$180 million, reaching a peak of \$220 million in 1956 and then gradually decreasing as major works are completed. About \$130 million of the annual expenditures are covered by oil revenues but since the proportion of these revenues earmarked for the Development Board is fixed at 70 per cent, a larger amount will be available in the future.

About one-third of total development funds are being used for flood control, irrigation, dams and drainage.

The second most important project is roads and bridges, to the extent of \$30 million this year and \$48 million in 1956. Various building projects come to \$31 million and \$42 million respectively. Then come "Factories, Mining and Electricity," \$24 million and \$37 million for each of the two years. This includes about \$6 million a year for electricity, two cement factories, a sugar refinery, a bitumen plant (completed in the course of the survey) and several textile factories.

Controlling Floods

Some examples of development projects may be of interest.

One of the great problems in Iraq is the control of flood waters. The Baghdad flood of early 1954 caused damage estimated at \$60 million from the rapid rise of the Tigris, which occasionally flows at 107 thousand cubic feet per second, or about 10 times its minimum flow.

The World Bank in 1951 granted a \$12.8 million loan to cover foreign components entering into the construction of a dam at Samarra, which would divert flood waters into the Wadi Tharthar depression.

Ancillary works are to include irrigation of 300 thousand acres of land and generation of 125 thousand k.w. of electricity (5 units of 25,000 k.w.). Iraq has recently cancelled half the World Bank loan and will finance the remainder out of its own resources.

The same sort of diversion dam is being built on the Euphrates, using Lake Habbaniya as a flood storage area. A French firm has the contract.

Three other storage dams, ranging in height from 350 to 600 feet, are also on the boards. One contract has been let to a French firm, but subsidiary hydro-electric projects have not yet been submitted to tender.

Other Projects Scheduled

Drainage works are also important in flat country (the drop in river level is only 108 feet in the 400 miles from Baghdad to the sea), and those now planned will serve the secondary purpose of de-salting large areas of land. A large number of deep wells are also planned for the same purpose and to provide village drinking water.

In addition to planned hydro-electric development, most cities and towns now have their own diesel generating plants. Ten major bridges are under construction (one costing \$8 million). Transmission lines have to be planned. Waste oil-field gases are available for thermal electric plants and other uses. Industries based on petroleum, cotton and other local materials are under consideration. Vast sulphur resources are being discovered and may become vitally important.

On the social front, schools, social centres and hospitals are being rapidly established; housing and commercial construction, both of which have lagged in the past, are bound to assume considerable significance in the future.

Trading Opportunities

The contracts for a great many of these projects have already been let, but evidence was found during the survey of the possibility even in these cases of obtaining sub-contracts or supplying materials to the contractors. For instance, one British firm which has engaged to build an important bridge now finds deliveries of British or Continental structural steel so slow that it is interested in Canadian sources even at a premium, to avoid the penalty clauses in the contract. Picking up such business requires, needless to say, close and constant contact in the area.

It is interesting to note that in Iraq the two oil companies are trying to direct their purchases through local agents, so that the Government, and not the companies, is responsible for foreign exchange requirements. This should be helpful to dollar exporters because the Government has never exercised to the full its option of

converting up to 40 per cent of sterling oil revenues into dollars.

Canadian agricultural machinery is getting well established in Iraq. Interest was shown in lumber, electric stoves and refrigerators, washing machines, pharmaceutical chemicals, office furniture, aluminum, aluminum sulphate, newsprint and other papers, children's and ladies' wear and shoes, refractory brick, tank trailers, and a variety of other products.

In conclusion, it may be said that, although Iraq development is well on its way and many major contracts have already been let, the benefits of these development works will only be felt when rising production brings about an increase in the standard of living. In the meantime Iraq is, and will continue to be, a substantial market for capital and consumer goods.

For the two earlier articles in this series, see our issues of July 9 and July 23—Editor.

Banking Abroad



Switzerland

W. VAN VLIET, *Commercial Secretary, Berne.*

BANKING IN SWITZERLAND today reflects the independent evolution of the private and Cantonal (provincial) bank structure, even though the Swiss National Bank was superimposed in 1934. This does not imply that the National Bank performs a superficial function. On the contrary, Swiss banking operates within an established set of principles which has allowed the National Bank to fill a comprehensive role with a minimum of legislative authority and a maximum of ready co-operation from private banks.

The National Bank

The National Bank, established under the Federal Banking Law, is a shareholders' bank; 55 per cent of the shares are held by Cantonal governments and Cantonal banks; the remainder are distributed widely among private holders who must be Swiss citizens and can only buy a limited amount. The Federal Government neither holds shares nor assumes liability. The Bank Council, representative of government, industrial and financial circles, elects eight members who, together with the president and vice-president, form the Executive Committee. The Federal Government acting on advice from the Bank Council appoints the three-man board of management. The Bank must submit an annual report for the approval of the Federal Government.

The National Bank has the monopoly of note issue without limit and these notes are full legal tender. Against these it must hold at least 40 per cent in gold and the remainder in bills (either treasury or commercial) as well as certain short-term bonds. As banker

to the Federal Government it is empowered to pay interest but this does not apply to non-government accounts. As banker to other banks, it has authority to re-discount bills maturing within three months and to grant interest-bearing loans against suitable collateral. Its permission must be obtained for all foreign loans over 10 million Swiss francs. A 1953 revision in the statutes increased its powers by permitting purchase of bonds of the Federal and Cantonal governments as well as Cantonal banks, provided these are within two years of maturity; previously maturity limits were at varying periods well under a year. The discount rate has remained unchanged since 1936 at 1½ per cent. The legislative powers of the National Bank remain limited in comparison with those of comparable banks in most countries but this lends added importance to the influence it exercises as an adviser.

The Chartered Banks

Switzerland has 474 banks which, with their 3,346 branches, are subject to the Swiss Banking Law; this includes 73 so-called private banks. In addition, there are some 3,000 organizations inclusive of their branches which perform one or other banking functions but which do not come within the provisions of the Banking Act.

Although there are structural differences between the various chartered banks they are all subject to the same provisions of the act and can engage in identical operations. A major exception is the 73 private banks which are not required to publish balance sheets but at the same time incur unlimited liability.

Generally speaking, Swiss banks offer a wide range of services, both to domestic and foreign business. The volume of business transacted is large in mortgage loans, securities, trustee administration, all forms of foreign exchange operations, sale of gold, credit to domestic industry for development as well as for financing both exports and imports and, of course, in savings deposits. One use of savings deposits which is well developed in Switzerland but unknown in Canada is issuing a form of bank bond against savings. These bonds, maturity up to eight years, command progressively higher interest rates with the length of life and form the chief basis on which banks supply long-term export financing to industry. Most banks are members of stock exchanges. The dominant type of bank in Switzerland is one which performs all these functions.

In general, the Swiss banks handle their foreign business through a world-wide network of correspondents. There are certain foreign branches or other facilities, mainly acting for the five great commercial banks.

More than half of all mortgage business is handled by the banks of which the Cantonal banks account for more than all the others combined. Statistics on foreign exchange operations are not published but the wide scope of these is well known. During the period 1946-1954 loans (individually exceeding 10 million francs) extended by Switzerland either directly to foreign governments or private firms totalled 2,675 million Swiss francs; of this amount 1,290 million originated with the Swiss Government and 1,385 million with the private banks. Eight funded trusts formed by the five commercial banks are in operation, based exclusively upon foreign securities; the estimated value of Canadian securities alone included in this is about \$100 million. Moreover, many foreign funded trusts (including certain ones from Canada) are marketing their shares in Switzerland through local banking connections. Various important Swiss trusts based upon industrial expansion abroad are closely linked to banks, particularly the large commercial ones, often in collaboration with foreign groups. It is these trusts which give impetus to Swiss industrial investment abroad which in 1954 alone amounted to an unofficial estimate of 250 million Swiss francs.

The Large Commercial Banks

The five large commercial banks so classified are listed below. This term is used not only because of volume of business; some of the Cantonal banks are larger and certain of the Credit Foncier institutions equal the volume transacted by the smallest of these five banks, Leu & Co. Ltd. They are distinguished from other important banks principally by the large part they play in the financing of great industrial firms and large commercial enterprises. In addition, the scope of their

foreign operations is more important and more varied than with most of the other banks. These five banks play the outstanding role in floating of capital issues, and it is through them that Swiss financial strength in the international capital markets is manifested as they channel the export of Swiss capital.

The five are:

Swiss Bank Corporation	Basle
Credit Swiss	Zurich
Union Bank of Switzerland	Zurich
Swiss Peoples Bank	Berne
Leu & Co. Ltd.	Zurich

The Cantonal Banks

The Cantonal banks are practically all owned by their respective provincial governments or the provincial government is the major shareholder. Together they handle more business than any other group of banks. Although they were founded primarily to provide farm mortgage and credit facilities in their area and have certain legislative responsibility in these fields, they now handle all forms of banking. In general, the credit and mortgage business which continues to be their main activity is confined to the Canton and their savings deposits usually originate in the Canton. In volume of savings deposits, they dominate all other banks.

The importance of Cantonal banks in other phases of banking, including all forms of foreign operations, should not be under-rated. Those in the larger cities or in industrial areas have developed to a high degree such roles as the financing of foreign trade, dealing in foreign exchange, securities handling, and so on.

Other Bank Groups

The so-called private banks stand apart from the main structure of Swiss banking even though they include many large and wealthy concerns with important international business. Unlike the large commercial banks, they have unlimited liability. Their accounts are not published but they are required to submit confidential balance sheets to the National Bank. Of long standing, their origin is similar to that of the merchant banks of London, but their customers today are a different group. They specialize in an essentially personal, family business and their clients generally are wealthy persons in Switzerland and foreign countries. They are particularly active in the administration of estates, as investment bankers, in the handling of securities, and in foreign exchange business.

The "Credit Foncier" banks have traditionally concentrated their business around mortgages and extension of credit to agriculture but also in urban projects. In competition with the Cantonal banks in land credit extension, their role is now limited.

There are various other forms of banks including some institutions with minor capitalization and others not only highly capitalized but with completely diversified operations. The savings banks primarily look after the credit needs of small businessmen, merchants and farmers. Two mutual credit societies with 981 branches are based on the banking societies founded in the 19th century by the German financier Raiffeisen. Their main object is the mobilization of community savings and their use by members at low interest rates.

Effecting Payment

Swiss banks employ all the conventional means of effecting payment and transfer but there are certain preferred means. Domestically, commercial transfers are usually made through postal account or bank clearing. Payment in bank cheque against current account, customary in Canada, is not generally used.

The postal transfer system, operated by the Swiss Postal Administration on a creditor basis only, is the most common means employed by the smaller and medium-sized Swiss firms. The larger industrial and commercial enterprises make extensive use of bank clearing accounts. Bills of exchange are not common and are declining in importance.

Settlement for international transactions, if there are no restrictions on payment, is in general made through irrevocable letter of credit. In commodity trade, payment against documents is widely used by the smaller firms; the large enterprises prefer direct bank transfers after receipt of goods. Firms that have foreign offices or plants often effect payment via transfers. Within international payment, and contrary to that domestically, bills of exchange with varying maturity up to 90 days are also in wide use.

France Produces Iron and Steel

Steady increase in investment and rising production in industry promise greater exports of French iron and steel. Competition from other ECSC countries not as keen in the domestic market as had been expected.

J. BESNARD, *Office of the Commercial Counsellor, Paris.*

IN THE DECADE FOLLOWING THE WAR the French iron and steel industry, with substantial aid from the French Government and the United States, rapidly repaired and modernized its plant. It now ranks fifth among world producers, exceeded only by the United States, Russia, the United Kingdom and Germany.

Producing Areas

The industry is located in four main districts:

- The Lorraine Basin, where it is based on local iron ore deposits. This centre, spreading along the Moselle Valley near Nancy and Metz and down to the Saar border, contributes over 80 per cent of the total French production of pig iron and 66 per cent of the total steel production.

- The "Nord" Basin (Valenciennes-Denain area), which is mainly based on the neighbouring Franco-

Belgian coal fields. This area accounts for about 20 per cent of total French production of steel ingots.

- The "Upper Loire" or "Centre" Basin (St. Etienne, Le Creusot, Commentry, etc.) which largely specializes in high-quality steels.

- Minor centres: Normandy (Caen), lower Brittany (St. Nazaire), and the electro-metallurgical plants in the Alpine valleys and near St. Etienne.

French steel producers have always depended largely on foreign sources of supply for coke and coking coal. About 65 per cent of their needs must be imported, mostly from Germany because the coal mined in the Lorraine area is not suitable for coking. However, after many years of research, a satisfactory process was recently discovered and production has already begun in test plants.

As shown in the following table, French production during 1954 reflected real progress:

French Iron and Steel Production

(metric tons)	Production 1954	Exports 1954
Pig iron and ferro-alloys	8,845,000	175,000
Steel ingots (total)	10,620,000	465,000
Comprising:		
Open hearth	6,275,000	
Basic Bessemer	2,350,000	
Electric	725,000	
Rolled products (total)	7,275,000	
Comprising:		
Rails and permanent way material	356,000	190,000
Beams	456,000	?
Sheet pilings	95,000	60,000
Wire rods	850,000	205,000
Reinforcing rounds	550,000	?
Bars	1,700,000	1,120,000
Skelp	370,000	?
Strip	510,000	165,000
Sheets and plates	750,000}	925,000
Thin sheets	1,370,000}	
Blackplate	240,000	?
etc.		
Tinplate	250,000	?
Wire and wire goods	520,000	160,000
Pipes and tubes	550,000	275,000
Special steels (1953)	950,000	93,000

* French statistics.

The total value of these exports of steel and steel products was about 140 billion francs (\$400 million). The main markets were Germany (over 20 per cent), Italy, Switzerland, Argentina, the United States, Finland, Egypt, Belgium and Brazil.

Investment Still Needed

Far from being content with the already considerable production attained, active plans are being pursued to accelerate the flow of investment into the industry since the end of World War II. During the years 1946-1953, over 330 billion francs (\$940 million) were spent on repairs and modernization of equipment and it is anticipated that an additional 220 to 280 billion francs will be required between now and 1957. Until 1952, the funds were mainly derived from government subsidies and U.S. aid (67 per cent). New private investment did not exceed 8 per cent and the remaining 25 per cent came from the reserves of the producing companies. Since 1953, private investors have provided the required capital on a greater scale and two successive loans, totalling 26.5 billion francs, have been launched with great success by the *Groupe ment de l'Industrie Siderurgique* (G.I.S.), an organization grouping 26 companies and representing 96 per cent of the total production capacity.

Nevertheless, the self-financing possibilities of the industry are likely to be limited by the fact that French prices are out of line with those of the other European Coal and Steel Community (ECSC) member countries. Production costs are substantially higher because of heavier fiscal charges and power costs. It seems probable, therefore, that the industry must continue to

have recourse to government assistance for its expansion programs.

The first phase of the over-all program was a five-year plan in effect from 1947 until 1952; this had for its object the development of production capacity and the modernization of existing equipment. Among its main achievements was the installation of two continuous hot-rolling mills, which were imported from the United States and are now operated by the newly-created industrial concerns known as "Sallac" and "Usinor".

The objectives of the second five-year plan (1953-1957) are a further development of production capacity, improvements in quality and the lowering of costs, with special efforts to increase the production of tubing, strip, sheet and wire rod. The following production figures have been set as targets for 1957:

Pig iron	12.7 to 14.0 million tons
Steel ingots	14.3 to 15.4 " "
Rolled products	10.5 to 12.0 " "

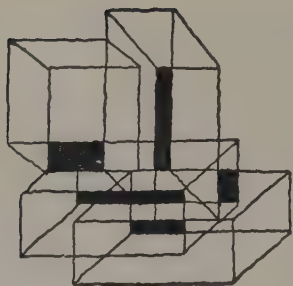
Trends and Prospects

The year 1953 was a critical one for the French steel industry, not only because it was then that the ECSC and the common market for steel and coal came into being, but also because 1953 witnessed a substantial decline in demand. This situation continued during the early months of 1954, but since then the market has recovered and, on the whole, 1954 production figures showed substantial increases over 1953, particularly in the field of flat products and wire rod. The two new continuous rolling mills mentioned previously contributed substantially to the improvement.

Prospects for the industry are favourable on the domestic market, where the competition from other ECSC countries is not as acute as was expected. The outlook for exports also encourages the producers. Approximately 30 per cent of French production of iron and steel products was exported in 1954 to French overseas and foreign markets; over 80 per cent went to foreign countries. It is expected that the volume and value of exports will expand, mainly because of the increased capacity for the production of hot-rolled sheets and plates.

CORRECTION

At the end of the first article on the Persian Gulf area, which appeared in the July 9 issue of "Foreign Trade", United States exports to the area as a whole for 1954 were given as \$237.6 million. This should have read \$145.7 million, exclusive of special category commodities.



commodity notes

Australia

PAINT—A new £1½ million 14-acre paint factory, the biggest in the British Commonwealth, was opened at Sunshine, near Melbourne, recently. It can produce almost two million gallons of paint a year—700 thousand gallons of alkyd and other synthetic resins and 1,100,000 gallons of other varnishes. The managing director said the factory would be employing 600 people by the end of the year—Melbourne, July 15.

Argentina

COTTON—Heavy rains at harvest time resulted in low yields of seed cotton in 1954-55. The trade in Argentina forecasts production at some 320 thousand metric tons from a seeded area officially estimated at 574,400 hectares. This area is only 2 per cent smaller than that of the previous season when production reached a peak of 417,900 tons. The weather also affected the quality of the crop and the quantity of high-grade fibre is smaller. According to trade statistics, 29,000 tons of cotton fibre were exported in 1954, compared with a record of 61,444 tons in 1953—Buenos Aires, July 15.

CHILLED BEEF—The Ministry of Commerce has announced through the National Meat Institute that arrangements have been made to ship 50,000 tons of chilled beef to the United Kingdom during the third quarter of 1955 under contracts with private traders. A total of 2,125 tons of chilled beef was exported during June, and packinghouses have been authorized to ship 15,000 additional tons in July and a similar amount in August; 20,000 tons, still unconfirmed, are to be shipped in September. The National Meat Institute has also authorized the export of 9,000 tons of frozen lamb and 3,000 tons of frozen beef offal, on the same basis—Buenos Aires, July 19.

Brazil

COFFEE—According to the Brazilian Coffee Institute, the statistical position of Brazilian coffee on May 31 was as follows: carryover on June 30, 1954, 3,319,245 bags; registered from July 1954 to May 31, 1955, 14,426,029 bags; total, 17,745,274 bags. Consumption

from July 1954 to May 31 of this year totalled 10,260,824 bags, of which 9,475,235 bags were exported abroad, 302,046 shipped coastwise and 483,543 consumed on board. Availability on May 31 last therefore totalled 7,787,450 bags—São Paulo, July 18.

COTTON—Brazil's cotton production in 1954 totalled 1.3 million tons, according to press reports. At current prices, this represented approximately Cr.\$7,500 million—São Paulo, July 18.

Chile

NITRATE—Sales of nitrate during 1953-54 reached 1,477,500 tons, an increase of one per cent. Profits from the industry are reported to be US\$13,389,627, of which the Chilean Government received US\$3,347,407. For 1952-53, profits were US\$10,646,416 and the Government received US\$2,661,604.

The Chilean Government's new agreement with the different nitrate producers now before Congress is expected to make it possible for the producers to compete more favourably with the synthetic product and to permit additional capital investment for improvement and expansion—Santiago, July 13.

Federation of Rhodesia and Nyasaland

COPPER—The first copper rolling mill in the Federation of Rhodesia and Nyasaland was officially opened in May by the Federal Minister of Transport. Cables and weld rod will be the two main products. Since the Federation is one of the world's leading copper suppliers, raw materials for the new mill are near at hand—Salisbury, July 12.

India

LEAD—Lead-zinc ore has been discovered in the Udaipur district of Rajasthan, not far from an old mining site where about 1,000 tons of lead ore with nearly 75 per cent lead content were excavated a few years ago. Preliminary mining activities have re-commenced in the area. A team of the Geological Survey of India is conducting digging operations in the Almora district of Uttar Pradesh, where a one-

mile long lead belt, about 600 feet wide and 1,200 feet deep, has been discovered. The lead content of this second belt is estimated at between six to 14 per cent. Lead is one of the vital minerals which India lacks and these recent discoveries are therefore of great interest—New Delhi, July 12.

Norway

FURS—Mink breeding dominates the Norwegian fur industry at present—a total of 225 thousand mink pelts was produced in 1954. Production of silver fox, the former favourite, dropped to 20,000 pelts. The demand for blue fox, which has declined steadily since 1948, showed a marked upward trend in 1954; prices increased by almost 100 per cent and some 40,000 blue fox pelts were produced. It is expected that even more blue fox will be bred during 1955. Exports of mink pelts during 1954 totalled about 170 thousand and are expected to be still higher in 1955, especially for mutation mink. The total value of fur exports, including sealskins, was about Norwegian kroner 30 million. The largest buyer is the United States and American taste and fashions are closely followed in Norwegian fur-breeding circles. Competition from foreign breeders is expected to increase and much attention is being given to ways and means of reducing costs—Oslo, July 15.

South Africa

URANIUM—Value of uranium produced in the Union during 1955 will be about £24 million, according to the Minister of Mines. Other sources consider this figure conservative and favour a probable value of £26 million. The lack of a standard formula in the allocation of uranium profits, to parallel the common policy in appropriation of gold profits, is causing concern. In the case of uranium, "practices differ not only between mining houses but between individual mines within the group"—Johannesburg, July 15.

Sweden

SAWN SOFTWOOD—Sweden's 1954 production of sawn softwood, including squared timber and sleepers, is estimated at 1,560,000 standards, compared with 1,550,000 in 1953. Of this figure, about 250 thousand standards represent the output of a number of farmers' sawmills which, as a rule, is consumed by the producers themselves—Stockholm, July 18.

PAPER, CARDBOARD—Swedish consumption of paper and cardboard in 1954 totalled 590 thousand tons, compared with 519 thousand in 1953. Consumption per capita was 82 kilograms in 1954, compared with 72.3 the previous year—Stockholm, July 18.

PLYWOOD—The new Graninge plywood factory in Bollsta, Sweden, will shortly begin operations. Annual production is estimated at 3,000 cubic metres of red and birch wood—Stockholm, July 18.

United Kingdom

SHIPBUILDING—Since the beginning of 1955, Scottish shipbuilding firms have received orders for 43 ships totalling 175 thousand tons gross. The new work has been spread over 18 shipyards. Clyde firms have secured orders for 30 ships of 125 thousand tons gross; the east of Scotland has booked the other 13 ships of 50,000 tons. A fair margin can be added to these figures for other contracts placed but not yet announced—London, July 19.

GLUCOSE—A well known Scottish firm opened Scotland's first glucose factory at Paisley a short time ago. The refinery has a capacity sufficient to meet the whole present and foreseeable Scottish demand for liquid glucose, estimated at 10,000 tons a year—London, July 19.

United States

MAPLE SYRUP—The run of maple syrup in Vermont this year was just under half a million gallons—the smallest in ten years. In spite of the short supply, retail prices have held steady at between \$5.00 and \$6.50 a gallon. Vermont normally produces about 90 per cent of New England's maple syrup crop; New England furnishes about half of the total U.S. production—Boston, July 26.

SIDEWALLS FOR TIRES—A large Ohio tire manufacturer has introduced a line of changeable rubber sidewalls for tires which will enable car owners to match the colour of their cars or their wearing apparel. The new product is a moulded ring of rubber which fits so snugly that it looks like the original sidewall. The rings come in red, yellow, blue, green, pink and white—Detroit, July 22.

West Germany

PLASTICS—An unusually big proportion of the expansion of West Germany's chemical industry in 1954 was due to the plastics industry which increased its production by no less than 35 per cent. On the other hand, the chemical industry as a whole raised its production by only 13 per cent. Total plastics production reached 325 thousand metric tons, valued at over one billion DM. As a result, it is believed that West Germany's plastics production now ranks second in the world (U.S. 63 per cent, West Germany 11 per cent, U.K. 9 per cent)—Bonn, July 19.

The Netherlands and Canada

a two-way agricultural trade

Cocoa and plant products head the list of Dutch agricultural sales to Canada; grains and hides and skins rank first among our agricultural sales to Holland. It's a trade that totalled nearly \$36 million last year.

C. J. SMALL,
Agricultural Secretary, The Hague.

FOR DUTCH AGRICULTURE, the past year was one of mixed blessings. Unfavourable weather lowered the quality of the crop but this was offset to some extent by heavy yields. Stiffer competition in foreign markets was successfully met and agricultural exports expanded. Trade in food and agricultural products between Canada and The Netherlands was characterized by larger shipments from Holland but smaller ones from Canada because of a decline in grain exports. This reverse is regarded as temporary and the steady growth of Canadian agricultural exports to Holland in the previous four years should be repeated in 1955.

Agricultural Trade

The value of Dutch agricultural exports in 1954 was about 8 per cent above that of 1953. There was a roughly corresponding increase in volume; prices generally were about the same or slightly lower. Livestock products contributed most to the increased value, followed by horticultural products and field crops. Domestic field crop exports in the period were slightly below those of the previous year but re-exports of foreign field crop products increased the total over 1953.

Overall agricultural exports to date in 1955 have risen slightly over the corresponding period a year ago, despite a falling-off in livestock products. This latter decline has resulted from smaller sales of butter, sweetened condensed milk and prepared meat products. On the other hand, egg exports this year have continued

the spectacular growth that made Holland the world's premier egg exporter in 1954.

Trade with the Soviet Union and its satellites continued to expand in 1954, with the same exports of butter as in 1953 and larger exports of cheese, animal fats, cocoa butter, hides and skins. The Dutch bought more coarse grains and raw phosphate from these countries. Imports of Soviet wheat fell off substantially last year and the 1955 prospects are uncertain.

Futures Markets Re-established

Other agricultural trade developments during the year included the re-establishment of a cocoa futures market in Amsterdam and of barley and linseed oil futures markets in Rotterdam. Barley futures trading was disappointingly light, in contrast with the corn futures market which ended its first year of operation in September 1954, with 110 thousand tons of corn trading to its credit. The import of fats and oils was returned to private traders in the spring of 1954, leaving only wheat imports in government hands at the end of the year.

The new year has seen the continuation of this return to normal trade with the opening of futures markets for coffee in both Amsterdam and Rotterdam and for copra in Amsterdam. Plans are also afoot in Amsterdam for futures trading in sugar, spices and linseed oil.

For Canada, the news that the Dutch Government will give up wheat importing on September 1st is of major interest. In practice, importers have been allowed to purchase since the end of April, provided such wheat (with some minor exceptions) is not milled before August 28. Although wheat will remain under import licence control, there will be no quantitative

restrictions on dollar wheats. However, dollars may only be used to buy North American wheat and wheat from other sources must be paid for in sterling, EPU currencies, or via bilateral clearing agreements such as those in force with Argentina and Turkey.

Trade with Canada

Food and agricultural exports to the dollar area increased slightly last year, and shipments of meat and dairy products to the U.S. forces in Germany and of canned hams to the United States continued to be important dollar earners. Exports of food and agricultural products to Canada in 1954 continued the steady advance that has featured this trade in postwar years. Overall Dutch exports to Canada only rose slightly, but food and agricultural shipments were over 11 per cent higher and their share of the total was 38 per cent, compared with 34.5 per cent in 1953 and 36 per cent in 1952.

Sales of cocoa products to Canada nearly doubled in the past year to oust ornamental plant products from their perennial first place. Cocoa paste, powder, butter and beans all made substantial gains to contribute to this result. Shipments of green coffee were 15 times greater but those of black tea were nearly halved. Bristles fell by more than half but remained a substantial item. The twelve primary Dutch export categories in the 1955 trade with Canada are listed below:

Major Dutch Food and Agricultural Exports to Canada

	1954	1953	1954 Increase or Decrease (in per cent)
1. Cocoa products	\$ 2,242,000	\$ 1,243,000	+ 80
2. Ornamental plant products	1,856,000	1,790,000	+ 4
3. Fruit products	832,000	721,000	+ 15
4. Vegetable oils	504,000	474,000	+ 6
5. Coffee (green)	467,000	31,000	+1,406
6. Bristles	458,000	1,071,000	- 57
7. Cheese	326,000	267,000	+ 22
8. Confectionery, biscuits candy	304,000	351,000	- 13
9. Vegetables	236,000	308,000	- 23
10. Cordials and alcoholic beverages	199,000	210,000	- 5
11. Fish (chiefly herring)	189,000	172,000	+ 9
12. Seeds (field and garden)	129,000	104,000	+ 19
Total exports to Canada ...	22,567,000	22,298,000	+ 1
Food and agricultural exports to Canada	8,544,000	7,669,000	+ 11
Share of food and agricul- tural exports to Canada	38 per cent	34.5 per cent	+ 3.5

In the above table it is worth noting that fruit products and vegetable oils have risen despite a falling-off of their main components, SO₂ pulp and chinawood oil.

In the first case, the decline was more than made up by heavier shipments of frozen, canned and concentrated fruit products. In the second, the loss was transformed into a net gain by greater exports of palm and palm kernel, lemon and orange oil and some other vegetable oils.

In addition to the major items listed above, Dutch food and agricultural exports to Canada last year included a wide variety of products in lesser quantities. Modest but steady gains have been made in recent years by cigars and cut tobacco, dressed furs, horsehair, vegetable flavourings and starch. Biscuits, canned meats, soups, fruits and vegetables, essential oils and edible gelatine, though they are still shipped in small amounts, are growing year by year.

Canadian food and agricultural exports to the Netherlands are relatively small in number but comprise the major part of our outward trade. However, for the first time in the past five years, overall Canadian shipments to Holland fell slightly in 1954. This was entirely the result of a drop in food and agricultural exports—primarily grains—because industrial shipments increased substantially. Total exports for the year were down only 6.3 per cent, but food and agricultural exports fell more than 23 per cent to reduce their share of the total to 67 per cent, compared with 82 per cent in the previous two years. Major exports to the Netherlands are listed below:

Major Canadian Food and Agricultural Exports to Holland

	1954	1953	1954 Increase or Decrease (in per cent)
1. Grain	\$21,460,000	\$32,065,000	- 33
Wheat	19,737,000	26,562,000	- 26
Barley	534,000	4,112,000	- 87
Rye	358,000	906,000	- 60
Flaxseed	292,000	111,000	+ 163
Buckwheat	272,000	316,000	- 14
Peas (whole)	119,000	7,000	+1,600
Oats	60,000	23,000	+ 161
Corn	34,000		
2. Hides and skins	1,428,000	543,000	+ 368
3. Vegetable oil (honed)	1,158,000	309,000	+ 280
4. Fish products (chiefly salmon)	1,121,000	804,000	+ 39
5. Meats, offals, etc.	468,000	543,000	- 14
6. Seeds, grass and clover	333,000	193,000	+ 73
7. Tobacco and products	296,000	78,000	+ 279
Total exports to Holland	39,703,000	42,382,000	- 6
Food and agricultural exports to Holland ..	26,629,000	34,776,000	- 23
Share of food and agricul- tural exports to Holland	67 per cent	82 per cent	- 15

The pattern of our exports to Holland over the past two years has shown a substantial change. Over-

shadowing all others has been the sharp decline in grain shipments, particularly wheat, barley and rye.

Apart from grains, the only major commodities that declined last year were herring oil—of which there were no shipments—and meat products. Sales of all the other major commodities increased and, in the case of hides and skins, non-edible vegetable oils and fish products, the change was remarkable. Canned fish shipments (chiefly salmon) jumped about \$100 thousand in value to \$900 thousand; frozen fish fell slightly. The interesting thing about the increased exports of tobacco is that cigarettes have jumped from zero in 1952 to \$138 thousand last year, exceeding the value of leaf shipments which themselves were nearly twice as high as in 1953, at \$132 thousand. Another new development in the past year was the introduction to the Dutch market of a well-known brand of Canadian cigarettes being manufactured under licence in Holland.

Commodities exported in modest quantity but showing increases in the past year included coffee and coffee substitutes, cocoa and chocolate preparations, whisky, dressed furs and skins, bristles, animal oils and animal products for medicinal purposes. Items appearing in the export statistics last year for the first time in some years were wheat flour, burley leaf tobacco, cigars, fish roe and fresh beef and veal. Lard, shell eggs and lin-

seed oil have not been exported to Holland in the past two years.

Agricultural prospects in Holland for the remainder of 1955 are promising. Unless there is a second season of exceptionally wet weather, crops generally should be normal in quantity and better in quality than last year. The output of livestock products, which form the backbone of the Dutch agricultural industry, is expected to increase. This in turn will likely mean higher agricultural exports because Dutch quality and prices should remain competitive. On the other hand, the average level of agricultural prices will probably rise slightly during the year as a consequence of higher wages granted in 1954. With full employment a virtual certainty for the rest of the year, the agricultural sector will undoubtedly continue to suffer from seasonal labour shortage during peak periods.

Bearing in mind the full employment of resources, buoyant exports, high real wages and expanding domestic consumption, it is difficult not to be optimistic about the Netherlands outlook. Nevertheless, there are several soft spots in the agricultural sector which have shown up over the past year. These will require constant attention from everyone and the Government in particular, because they affect basic policies on price guarantees for dairy products, hogs, and field crops.

trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

H. W. RICHARDSON, Commercial Secretary in Athens, Greece, began his Canadian tour in Ottawa on April 25th. His itinerary is:

Ottawa—Aug. 8 (p.m.)-13

Quebec—Aug. 15

Grand Falls: Perth, N.B.—Aug. 17 Halifax—Aug. 24

East Florenceville: Millville—Aug. 18 Saint John—Aug. 22

Fredericton—Aug. 19

Montreal—Aug. 30-Sept. 7

St. John's, Nfld.—Aug. 26

Businessmen in the various centres may get in touch with Mr. Richardson through the following organizations:

Board of Trade—Grand Falls, Halifax, Montreal, Quebec, Saint John.

Department of Industry and Development—Fredericton.

Department of Trade and Commerce—Ottawa, St. John's (Stott Bldg.).

Mexico Markets Its Peanuts

Poor peanut crop in the U.S. last year brought increase in American import quotas, attracted Mexican shipments to that market, and raised prices. But Canada will probably remain main outlet for Mexican peanuts.

C. O. R. ROUSSEAU, Assistant Commercial Secretary, Mexico, D.F.

MEXICAN PEANUT GROWERS, up to the end of the 1954-55 crop year, looked to Canada as their main market for both shelled and unshelled peanuts. In the 1953-54 crop year, about 69 per cent of the unshelled and 92 per cent of the shelled peanuts exported went to Canada. Recently, however, two increases in the United States import quotas for shelled peanuts have affected the direction of exports and the interests of the traditional Canadian buyer. But before discussing the effects of these increases, a look at Mexican production and export figures might prove useful.

Production Is Mounting

Commercial growing of peanuts in Mexico is said to have started in a small way in the state of Jalisco in 1937. By 1954 the crop, increasing fairly steadily, had grown to 93,700 tons. Jalisco and its neighbouring state, Nayarit, still produce about 50 per cent of the crop; the states of Morelos, Guerrero, Puebla, Guanajuato, Sinaloa and Oaxaca provide among them the other 50 per cent. Peanuts not only sell well domestically but also earn dollars for Mexico and farmers are expanding production. In 1951-52, the crop reached nearly 81 thousand tons, in 1952-53, about 89,000, and in 1953-54, nearly 94 thousand. Production and exports of edible peanuts were as follows:

Edible Peanuts

	1951-52	1952-53	1953-54
Production	30,700	34,106	35,980
Domestic consumption..	12,000	12,000	12,000
Available for export....	18,700	22,106	23,980

In the last six years, Mexico has doubled its output although it still accounts for only 0.68 per cent of

world production. India with about 3.8 million tons and China with 2.4 million make Asia the largest producer, with almost 64 per cent of world output. Africa ranks next, followed by North America and South America.

Mexican processors claim that they sustain a loss of about 36 per cent in shelling and cleaning the farmers' stock. Of the remaining 64 per cent, only 60 per cent are edible and good for export and the other 40 per cent are used for oil crushing. These facts affect the price because shellers can get top price for only 38.5 per cent of their original purchases from the growers.

Main Export Markets

Until the 1954-55 crop year, Canada ranked as the biggest buyer of Mexican peanuts, both shelled and unshelled. In the 1953-54 crop year, Canadian purchases from Mexico represented 69 per cent of our total peanut imports. Mexico has not always been Canada's main supplier. Her predominance dates from



These Mexican girls, with trained eyes and deft hands, are removing defective kernels as shelled peanuts pass them on a moving belt. Not yet twenty years old, the peanut-growing industry in Mexico has become an important dollar-earner.

the beginning of the Second World War, when peanut supplies from India and China were cut off because of lack of transportation facilities. Shipments from Mexico, however, could be made overland, and Canadian buyers turned to this new source of supply. Mexican shippers have since done their best to keep their prices and product attractive to Canada.

Of late, they have also endeavoured to diversify their markets by making offerings to Europe, with little success except in Switzerland, which bought a fair quantity of unshelled peanuts in 1953-54.

Mexican Peanut Exports by Countries, 1953-54*

Countries	Unshelled		Shelled	
	Tons	Thousands of Pesos	Tons	Thousands of Pesos
United States	245	594	900	2,168
Canada	2,951	6,297	13,439	35,925
Switzerland ..	833	2,097	.....	.....
Netherlands ..	56	132	.....	.....
Belgium	108	277	.....	.....
Sweden	45	105	.....	.....
Germany	40	103	.....	.....
France	5	18	200	631
Others	2	5	32	72
	4,285	9,628	14,571	38,796

* Comercio Exterior, May 1955.

Effect of Devaluation

Canadian buyers expected that when the devaluation of the Mexican peso took place in April 1954 the export price of Mexican peanuts would go down. Certain factors, however, rather nullified this effect. Immediately after the devaluation, a presidential decree ordered an across-the-board 10 per cent increase in wages for labourers. The export tax on peanuts, which was \$130 pesos per ton, was raised to \$280 pesos for peanuts in the shell and to \$260 pesos for shelled. This, plus other less tangible factors, prevented the shippers from passing on the benefits of the devaluation to Canadian buyers. Mexican exporters agree, however, that the devaluation was of some help to them, but not to the extent that foreign importers seem to think.

U.S. Action Influences Market

In the last ten months, action taken by the U.S. Government has changed the marketing picture considerably. Under the price support program of that government, imports of peanuts into the United States were limited to 1,709,000 pounds for the quota year—July 1 to June 30. Duty on these imports was assessed at seven cents a pound.

In the 1954-55 crop year, the United States peanut harvest was substantially smaller and the import quota was completely filled by the end of September. In

October, rumours about an increase in the quota began to circulate and this immediately affected the price of the farmers' stock. In 1952-53, prices had ranged from \$850 to \$1,200 a ton; in 1953-54, from \$900 to \$1,250. In 1954-55 they rose further—from \$950 to \$1,900 per ton.

These fluctuations in price created a peculiar situation for some of the Mexican exporters who had forward contracts with Canadian buyers at fixed prices. The main exporters fulfilled their contracts but many of the smaller ones held back. Most of them, however, refrained from signing new contracts with Canadians unless they were based on a price similar to that expected from the U.S. market. In many cases, large inventories were carried in the hope that the U.S. quota would be increased.

This situation lasted until March 9, 1955, when the President of the United States authorized an increase in the import quota of 51 million pounds of shelled peanuts of 40 kernels per ounce until June 30, 1955. Against the increase another two cents per pound import fee was levied, over and above the ordinary seven-cent tariff. Even with this nine-cent handicap, the Mexican shippers could get approximately two cents a pound more from the American buyers than from buyers in Canada (where there is no duty). This increase was followed on May 16th by another presidential decree authorizing unlimited imports to July 31, 1955, at the nine-cent rate. The opening of the American market has attracted the greater part of Mexico's supply of shelled peanuts and at this moment there are few left in the hands of the regular shippers.

Marketing Outlook

We are given to understand that despite the higher prices offered in the United States, the Mexican shippers regard Canada as their traditional main buyer and wherever possible fulfil their Canadian contracts before any others. They know that the American market will probably be closed to them again as soon as the U.S. crop is large enough to supply the domestic demand. However, it is expected that the higher American prices received this year will affect Mexican plantings, boosting production by 20 to 25 per cent.

Certain Mexican exporters are attempting to secure an annual import quota from the U.S. Government. If they succeed, the pattern of Mexican peanut exports would be altered and Canada would no longer take over 80 per cent of shipments. But the fact that the United States has had one bad crop does not mean that it will continue to buy more largely abroad. In fact, it appears likely that, when normal crops reappear in the U.S., Canada will remain Mexico's best customer for shelled and unshelled peanuts. ●



In the Netherlands (above)—Monorail imported from a Canadian manufacturer is shown here in use at the State Experimental Dairy Farm in Hoorn.



In Brazil (right)—The wood used to build this falsework for a concrete bridge over Rio Cargueiro has been treated with wood preservatives manufactured by a Brazilian plant from the original formulas and imported raw materials of its parent Canadian company.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, properly protected for mailing, and addressed to: The Editor, "Foreign Trade", Department of Trade and Commerce, Ottawa.



In Indonesia (above)—The tractor seen in this photograph, speeding up the transport of bags of picked leaves on an Indonesia tea plantation, was made in Canada.



In Germany (right)—This German printer is watching another edition of the famous paper, "Handelsblatt", roll off the presses. "Handelsblatt" is printed on Canadian newsprint.

Cuba Steps Up Nickel Production

Expansion of nickel production in Cuba now under way with U.S. aid may increase nickel supplies in western world by as much as 30 per cent.

G. A. BROWNE, *Commercial Secretary, Havana.*

CUBA'S LARGE RESERVES of soft iron ores will soon be yielding nickel and cobalt, strategic metals in the world today. In co-operation with U.S. interests present nickel production will be expanded and new deposits exploited. The result may eventually be a rise of 30 per cent in the western world's nickel supplies.

Various authorities estimate these Cuban reserves at between three and six billion tons. They are composed chiefly of hydrous iron oxide limonite and some iron oxide hematite and cover large areas in Oriente, Camaguey and Pinar del Rio Provinces. They form a blanket of red ferruginous soil, in depth from one to 75 feet (with a probable average of about 25 feet) and extend horizontally for many miles. Usually they contain an average of 46 per cent iron, 6 to 14 per cent alumina, 2 to 6 per cent silica, 1.5 per cent chromium, 1 per cent nickel, and a fractional percentage of cobalt.

Exploited in Wartime

Some of these deposits in north Oriente Province have already been exploited. In World War II, under an agreement with the Government of Cuba, authorized agencies of the U.S. Government built a \$33 million plant in north Oriente Province to exploit concessions held by the Nicaro Nickel Company, which is owned by Freeport Sulphur. Nicaro's ammonia leaching process recovered only nickel and cobalt and the iron and chromium content was wasted. The price of the nickel oxide, which was over 75 per cent metallic nickel, was above the world commercial price and most of it went to defence uses. Nicaro production in the years 1943 to 1947, when the plant employed over 1,800 people, totalled 35,100 metric tons of nickel oxide. Because the operation was begun strictly to meet wartime needs, it was eventually shut down in March 1947. Shortly after the Korean war broke out, however, and the demand for nickel increased, the plant was re-opened.

The primary factor in the current plans to step up nickel production substantially is the development of a new sulphuric acid leaching process. Towards the

end of last year, Freeport Sulphur, under a contract with the U.S. General Services Administration, began to build a pilot plant for large-scale study of the new process. The company plans to exploit ore deposits at Moa Bay, on the northeast coast not far from Nicaro. These deposits contain over 40 million tons of ore averaging 1.35 per cent nickel and 0.14 per cent cobalt.

New Leaching Process

The sulphuric acid leaching process will mean very high recoveries of nickel and cobalt metal from the ore and will make possible many operating economies. It is divided into two phases:

- One, leaching, purification of solutions, and production of an intermediate concentrate. This will be carried out in Cuba in a plant to be built at Moa Bay.
- Two, production of metals from the concentrate. This stage will take place in the United States, because it requires large volumes of natural gas and nearby supplies of chemical raw materials not found in Cuba. The final product will be substantially pure metal powders, which can be sold in that form or melted, briquetted or sintered into the shapes which industry desires.

Under the terms of the contract between G.S.A. and the Nicaro Nickel Company, the Government will buy 75 million pounds of nickel and 15 million pounds of cobalt at prevailing market prices between the beginning of production and June 30, 1963. During the same period, the Government also has the right to buy, and Nicaro Nickel Company has the right to sell to it, an additional 75 million pounds of nickel at prevailing market prices.

Studies Are Continuing

Since early 1954, Freeport Sulphur has been operating a pilot plant at Hoskins Mound, in Texas, and studying both phases of the operation. Now, to obtain engineering cost data on a scale assuring economy and efficiency

in developing this new source of two strategic metals, a U.S. pilot plant, treating 50 tons of ore a day, will be located near New Orleans and underwritten by the U.S. Government.

Imports of nickel into Cuba, used chiefly for electroplating, are in the form of ingots, bars, sheets, wire, tubes and alloys and come from the United States, Switzerland, United Kingdom, Germany, Canada and Belgium. Exclusive of alloys, the value of pure nickel products imported into Cuba in the years 1952 and 1953 totalled \$130,819.

Exports of nickel from Cuba since 1947—all to the United States—are shown in the table below:

Year	Quantity (in kilos)	Value—\$
1947	6,024,974	2,775,282
1948	866	52
1949	1,515	80
1950 .....	.....	.....
1951 .....	.....	.....
1952	8,233,574	5,993,377
1953	17,965,067	14,119,099
Total	32,225,996	22,887,890

The Egyptian Timber Market

Canadian exporters of Douglas fir square timber, Pacific hemlock and other species might find opportunities in Egypt, where traditional suppliers of familiar woods have not been able to meet the market demand.

M. R. M. DALE, *Commercial Secretary, Cairo.*

THE TIMBER TRADE in Egypt falls into three categories:

- Redwood from Scandinavia and North Russia.
- Whitewood from Central Europe, the Balkans and south Russia.
- Hardwoods from the Balkans and Japan.

Redwood

Imports of redwood total about 30,000 standards of sawn timber and come mostly from Sweden. However, in recent years purchases from Finland have increased. Northern pine has always been in demand because, since they are slow-growing trees, they have a fine reddish colour and close annual rings. However, with the growing difficulty of securing the desired species and dimensions of Northern pine, some 2,500 standards of south Finnish redwood have recently been sold. Prices for redwood have advanced considerably in the postwar years—from £10.0.0 per standard (for 2" x 7") f.o.b. Scandinavian port, to £84.0.0 at present. This basic price of £84.0.0 is for unsorted redwood 2" x 7"; for fifths, the reduction varies from

£7 to £10 per standard, according to the production of the mill.

It is possible that Douglas fir square timber might find a market in Egypt to replace the so-called European pitchpine. One serious handicap of Canadian Douglas fir and Pacific hemlock is freight charges and the need to ship by full cargo. Freight rates from Scandinavia have gone up about 35 per cent but from Vancouver they have almost doubled.

Whitewood

Before the Second World War, whitewood was imported only from the Balkans and Roumania became the most important supplier. Since the war, substantial quantities have been imported from Austria and Czechoslovakia.

It has proved impossible to import whitewood from Scandinavia because of the sizes of the timber. The so-called Balkan whitewood is supplied in fixed lengths of 4 metres and widths are specified and in centimetres. The thicknesses are in millimetres, with about 25 per cent in 12 and 18 mms. This type of specification is called "Levante".

As it has not always been possible to obtain the "Levante" specification, timber importers now and then agreed to change this specification by accepting lengths from 3 to 6 metres instead of four, and random widths in centimetres instead of fixed centimetres.

Prewar, whitewood of Levante specification from Roumania cost about 40-42 shillings per cubic metre c.i.f. Alexandria, including freight of five shillings. After the war, prices advanced steadily and they are now as follows:

ROUMANIA	for "Levante" specifications	£E15.700
CZECHOSLOVAKIA	" " "	15.850
AUSTRIA	" " "	16.500

These prices are per cubic metre f.o.b. Trieste for Austria and Czechoslovakia, and for Roumania f.o.b. Constanza. Freight rate per cubic metre is about 25/30 shillings from Trieste and 35 shillings from Constanza.

Imports from these three European suppliers represent over 100 thousand cubic metres of whitewood a year. This is lower than prewar imports because of higher prices and indifferent deliveries.

Hardwood

The species in greatest demand in Egypt is steamed beech, which comes from Roumania and Yugoslavia. Small parcels have been imported from Austria, Italy and France but have not proved too satisfactory. Roumanian and Yugoslavian beech are very much in demand because of their soft texture and a satisfactory and uniform colour resulting from proper steaming of the beech. Prewar imports totalled about 60,000 cubic metres a year but they have now dropped to half that figure because of high prices and short supply.

Steamed beech is imported in two lengths, the so-called Longs and Shorts. Prices are at present:

ROUMANIAN "LONGS"	£E36.—	per cubic metre c.i.f.
ROUMANIAN "SHORTS"	34.—	" " " "
YUGOSLAVIAN "LONGS"	38.500	" " " "
YUGOSLAVIAN "SHORTS"	33.—	" " " "

Attempts have been made to replace steamed beech with other species of hardwoods, but it is very difficult to convince consumers to use similar hardwoods. Steamed beech goes exclusively into furniture; for bentwood chairs, unsteamed or so-called white or natural beech is used.

As beechwood becomes more expensive and more difficult to obtain, Egyptians are buying increasing quantities of oak. It has been imported from Yugoslavia, France and Hungary and recently from Japan. ●

Readers who wish to obtain the exact specifications for redwood, whitewood, sawn beechwood and oak for the Egyptian market should write to the Editor, "Foreign Trade", Department of Trade and Commerce, Ottawa.

Egypt's Trade with Canada

EGYPT'S BALANCE OF TRADE showed a further improvement in 1954, with exports standing at £E136.7 million and imports at £E159.8 million; the resulting deficit of £E23.1 million was the lowest since 1949. The improvement was almost entirely due to reduced imports. The United Kingdom regained its place as Egypt's principal source of supply followed by the United States, West Germany, France and Italy.

Imports from Canada fell drastically from £E8.8 million in 1953 to £E0.8 million in 1954. This loss reflects mainly smaller wheat and wheat flour shipments because of Egypt's increased domestic production. However, excluding wheat and wheat flour, Egyptian imports from Canada doubled in 1954 (£E329,045 as compared with £E167,078 in 1953). This promises well for future imports of a wide range of Canadian goods many of which Egypt considers essential. Medicines and pharmaceutical specialties advanced approximately 70 per cent. Imports of pulp for papermaking increased by 140 per cent. Newsprint and magazine paper imports improved greatly. There was a considerable gain in sales of storage batteries and imports of asbestos remained at about the same level.

IMPORTS FROM CANADA

Item	Value (£E)
Flour of wheat, spelt and meslin	463,009
Pulp for paper making	92,521
Newsprint and magazine paper	77,005
Medicines and pharmaceuticals	52,220
Asbestos, raw or in fibre	38,690
Other	68,609
Total	792,054

The most dramatic change in Egypt's export pattern came in cotton; sales to Canada declined from £E1,876,307 to £E20,193. The drop is apparently due to bulk buying in 1953 when the price of Egyptian cotton was attractive; the 1954 prices were considered high. There is also the probable influence of competition from a cotton grown in the United States and similar to the Egyptian long-staple. In contrast with 1953 when domestic rice production could scarcely meet local consumption, 1954 saw 1,500 tons of the commodity exported. Onion exports tripled in 1954 because of much lower prices. Exports of black—animal, mineral and vegetable, etc.—are increasing every year. Egypt is anxious to increase her sales to Canada, to bring her trade into better balance and to provide her with dollars.

—M. R. M. DALE,
Commercial Secretary, Cairo.

Royal Commission Studies Coasting Trade

Should changes be made in the regulations governing the coasting trade of Canada and if so, what changes? A Royal Commission recently appointed has begun studying these questions, which will take on added importance with the coming of the St. Lawrence Seaway.

THREE WEEKS AGO, a Royal Commission opened public hearings on questions which may affect the future not only of Canada's domestic but also of her foreign trade. On July 11th, the Royal Commission on the Coasting Trade of Canada held its first public sessions in Ottawa. Later this month the Commission will move to the Maritimes, with hearings scheduled for St. John's, Halifax, Saint John, and possibly Charlottetown. The end of August will find the Commissioners in Victoria and Vancouver and they will also stop over in Calgary, Regina, Winnipeg, Port Arthur and Fort William.

The beginning of work on the St. Lawrence Seaway and the prospect of the opening of the Great Lakes to deepsea shipping within two or three years have made urgent an examination of current policy on coastal shipping. At the moment, only Canadian, British and other Commonwealth ships are permitted to engage in our coasting trade. Any proposed changes in this policy will no doubt be considered in the light of the Commission's inquiry.

Terms of Reference

Set up by Order in Council on March 1, 1955, the Commission is authorized to "inquire into and report on the following matters":

- "The relationship of the coasting trade of Canada, including the Great Lakes, to Canadian shipping and ship building, and the effect on such shipping and ship building of the participation in the coasting trade of Canada, including the Great Lakes, of ships or other marine craft registered or built outside of Canada;
- "the probable effects of the development of the St. Lawrence Seaway upon the coasting trade of Canada, including the Great Lakes;
- "the relationship of the coasting trade of Canada, including the Great Lakes, to the domestic and inter-

national trade of Canada and to Canada's external relations; and the effect of the participation in the coasting trade of Canada, including the Great Lakes, by ships or other marine craft registered or built outside of Canada upon the domestic and international trade of Canada, and Canada's external relations; and

- "the necessity, if any, of establishing different policies and prescribing special conditions with respect to the coasting trade of Canada, including the Great Lakes, applicable to particular parts of Canada."

Groups Submitting Briefs

The Commission has received a total of 110 briefs. In general, briefs have come from the following groups:

1. Ship building and ship repairing companies and shipyard operators, particularly in the Great Lakes area.
2. Owners and operators of ships engaged in the coasting trade in Canada, such as those operating on the Great Lakes or carrying on trade with Newfoundland.
3. Towns (and Chambers of Commerce and other organizations within those towns) which would be affected by any falling-off in the business of transshipping cargoes coming down the Lakes or in work provided for shipyards and sailors in the area.
4. The trade unions, interested in possible effects upon employment of any falling-off in the ship building and repairing or trans-shipment business.
5. Industries such as the railways, the grain trade, the pulp and paper industry, fisheries, etc., which would be affected by any alteration in the present coastal shipping arrangements and especially by any changes in shipping rates and costs.
6. Particular regions of the country, such as the prairies, the Atlantic provinces and British Columbia, which have special problems of transportation costs.

Hearings to Continue

At the recent Ottawa hearings, nine organizations which submitted briefs appeared before the Commission, including the two great railways, the three large labour congresses, and associations representing the ship owners and operators and the shipbuilders, as well as the Canadian Industrial Traffic League. It is expected that other interested groups will appear at the hearings to be held within the next four to six months in every part of Canada. ●

General notes



Australia

TRADE WITH WEST GERMANY—Under a renewal of the trade agreement between Australia and the Federal Republic of Germany, to cover the period up to June 30, 1956, Australia will export at least 100 thousand tons of wheat and 30,000 tons of coarse grains, chiefly barley, to Germany, and also wool, hides, skins, metals, honey and meat extract. Germany's exports to Australia include a wide range of essential goods, among which machinery and chemicals are important—Sydney, July 12.

URANIUM PLANTS PLANNED—The Commonwealth Government expects large uranium plants to be established in the Mt. Isa-Cloncurry and South Alligator Creek areas in Queensland. The Minister of Supply said that Australian firms interested in deposits at Alligator River had made contracts with overseas firms, one British and one American, who will build treatment plants if the deposits prove worthwhile—Sydney, July 12.

NEW MINING MACHINE—Mining may be possible in many parts of Australia where it is not now practicable because of water shortage if a new dry concentrator developed by a Melbourne inventor is as successful commercially as it has proved in private tests. The concentrator has been demonstrated to local representatives of mining machinery manufacturers, who have expressed interest in its possibilities. Details of tests have been forwarded to three large American companies who have asked for further information on future tests.

The inventor claims the concentrator gives better results than the widely used water separation process for winning minerals from sand and ore. His machine, which relies on mechanical agitation and gravity, has worked successfully on coal, scheelite, tin and copper—Melbourne, July 12.

Argentina

PISTON RING PLANT—The Perfect Circle Corporation of the United States is to invest the sum of US\$67,400 in the firm of E. Daneri Industrial y Comercial S.A. of Rosario for the extension of a plant to manufacture piston rings. The daily output of 30,000 rings, to be reached within the next 18 months, will cover local requirements—Buenos Aires, July 15.

Brazil

BASIC INDUSTRIES—The Heavy Industries Commission, created recently by presidential decree, is said to be considering favourably a proposition presented by a French group for the establishment of workshops producing equipment for hydro-electric power stations, oil refineries, steel mills and ports. Both Petrobras and the National Bank of Economic Development have agreed, in principle, to lend their support, pending the outcome of technical studies under way at present—São Paulo, July 13.

Cuba

ELECTRICITY CONSUMPTION—Consumption of electricity (66.03 per cent by residences and commercial establishments, 33.97 per cent by industry) continued its upward trend in March 1955 and reached a total of 72,478,000 kw. and 226,556,000 kw. for the period January-March 1955, compared with 66,618,000 kw. and 212,081,000 kw. for the comparative period in 1954. These statistics are based on the reports of the main producer on the island, which supplies roughly 90 per cent of the country's needs—Havana, July 18.

Denmark

TRADE WITH BRITAIN—During the postwar years Denmark has succeeded in reducing substantially its dependence on the British market. In 1938, 56 per cent of total Danish exports went to the United Kingdom compared with 37 per cent in 1954. The same trend is reflected more sharply in agricultural exports to Britain which in 1938 represented 75 per cent and in 1954 only 60 per cent of total agricultural exports—Copenhagen, July 21.

Greece

ELECTRIC POWER—The Ladhon River hydro-electric plant in southern Greece was officially inaugurated in May. This is the last of the four plants built under the Marshall Plan program. It is connected to the national distribution system, supplying it with an average of 35 million kilowatt hours of electricity per year. The production of electrical energy in Greece has now reached 1,000 million kilowatt hours per year compared with 272 million in 1938—Athens, July 11.

India

FINANCIAL CORPORATIONS—State financial corporations for the granting of loans to private organizations establishing new factories have been set up in almost all the States of the Indian Union. A proposal for the establishment of such a corporation in Madhya Pradesh is under examination, while Madras and Andhra are considering the conversion of the existing Madras Industrial Investment Corporation Ltd. into two separate corporations. The Reserve Bank of India generally contributes from 10 to 15 per cent of the capital to these corporations, and the Central Government has provided a sum of Rs.10 million in the current budget for assistance to them. Three States—Assam, Saurashtra and Travancore—have already received grants—New Delhi, July 12.

Indonesia

TAPIOCA FLOUR MILL—A new tapioca flour mill with a daily capacity of ten tons of tapioca flour is to be built at Taju, near Semarang, in Central Java. Tapioca flour is one of Central Java's important export products, with an export volume ranging from 1,000 to 5,000 tons a month—Djakarta, July 9.

Israel

KNITWEAR FACTORY—The construction of a tricotage plant is expected to start shortly, with an investment of \$3 million in local and foreign capital. The plant's annual output, on the basis of two working shifts, will be three million pairs of nylon stockings, 96 million pairs of cotton and wool socks, and other knitted goods. Two-thirds of the production is to be marked for export, enabling Israel to enter the world market on a much larger scale than ever before. At the same time, the plant will help to ease domestic shortages because such products are not imported at present—Athens, July 11.

Italy

USES FOR METHANE GAS—An Italian firm has acquired land in the Ravenna area to erect a large factory for the processing of methane gas into synthetic rubber and fertilizers. Upon completion in about three years, it is estimated that the factory will use 400 million cubic metres of methane gas to produce its target of 3,000 tons of synthetic rubber and 35,000 tons of fertilizers a year—Rome, July 20.

Netherlands

AUTOMATIC TELEX—Automatic telex communications between the Netherlands and West Germany were officially opened on June 8 as a first step toward automatic telex traffic throughout Europe. For the

time being, only subscribers in Rotterdam and Amsterdam will be able to dial West German telexes directly, in one-way automatic traffic. Telex calls from West Germany to the Netherlands are not yet automatic. The Amsterdam telephone district manager stated that automatic telex communications with Belgium, Denmark, Austria, Sweden and Switzerland could be established in the not too distant future. Telex traffic within the Netherlands is expected to be fully automatic by the middle of next year. At that time, about 70 per cent of international traffic in Europe will also be automatic—The Hague, July 21.

Northern Ireland

RURAL POWER—Rural electrification is proceeding in Northern Ireland at a rate believed to be higher than in any area in England. The Northern Ireland Electricity Board's Report for 1954 reveals that about two hundred farms are being connected to the power supply of the Board each month. During 1954, 2,256 farms were connected, compared with 1,448 in 1953. The capital cost of rural works carried out totalled £738,409 and the immediate development program for rural electrification covers schemes involving expenditure of approximately £1·5 million—Belfast, July 19.

ADVISORY DEVELOPMENT COUNCIL—An Advisory Development Council has been set up in Northern Ireland as a measure to help solve the unemployment problem. The full Council will consist of a chairman and eight members with a joint secretariat. Its functions will be to study means of encouraging economic development in Northern Ireland along suitable lines and of attracting new industries in order to reduce unemployment; to advise the Northern Ireland Government on the use of funds made available for these purposes, and to make more widely known in the United Kingdom and elsewhere the facilities which Northern Ireland offers to new industries—Belfast, July 19.

Turkey

ELECTRIC POWER—Work has begun on the construction of a huge \$32 million irrigation dam and hydro-electric power project at Kemirkopru on the Gediz River in Western Turkey, one of the major units in an over-all power-grid estimated to cost about \$72 million. Planned by a New York concern of consulting engineers, the contract was awarded to a Franco-Turkish firm. When ready for operation in April 1958, its 70,000 kw. power plant will generate 190 million kwh of electricity per year, control floods in the Gediz Valley, and also provide

water to irrigate over 100 thousand hectares of farmland. Also, it will further accelerate development of industrial activity in the whole Aegean region of Turkey—Athens, July 15.

United Kingdom

TRADE DEFICIT GROWS—United Kingdom exports in June fell sharply to £165.1 million, compared with £257.7 million in May and £226.5 million in June, 1954. Much of this decline can be attributed to the dock strike throughout June, and to the rail strike which held up freight traffic in the first half of the month. Imports in June were slightly higher at £293.9 million than in May, resulting in

an adverse trade balance for the month of £128.8 million compared with £32.6 million in May.

In the first half of the year British exports increased nearly 4 per cent over the same period in 1954. However, imports rose by nearly 14 per cent, and the cumulative trade balance at the end of June 1955 stood at £455.8 million, compared with £274.8 at June 30, 1954.

The strikes affected especially June exports to North America; at £17.4 million they were £10.9 million below the May level. Exports to Canada dropped from £15 million in May to £6 million in June. Exports to the United States showed a less marked decline—from £13.3 million to £11.4 million—London, July 22.

trade and tariff regulations

Belgium

SALES TAX ON IMPORTS REVISED—Certain imports into Belgium are subject to an import tax, in addition to the basic transmission (or sales) tax which is also levied on similar Belgian products. Effective June 24, the list of goods subject to the import tax has been revised. Various commodities have been added to the list. On some others, the rate of import tax has been increased. Moreover, eight items have been exempted from this tax.

As regards articles of interest to Canada, the following goods have now been made subject to the tax. The applicable rates shown are levied on the duty-paid landed value:

2 per cent: Artificial plastic materials in sheets, blocks, etc.; saws and saw blades; semi-fabricated copper and non-insulated copper wire; insulators of ceramic materials; toys other than dolls.

3 per cent: Alimentary pastes, inner tubes; asbestos brake lining and other asbestos manufactures; semi-fabricated aluminum; buttons of artificial plastic materials.

4 per cent: Tinplate less than $\frac{1}{2}$ centimetre thick; agricultural machinery for preparing the soil; certain industrial machinery.

5 per cent: Pneumatic tires for motor vehicles; threaded bolts and screws of iron and steel; boilers for central heating; domestic electric washing machines; transformers; radio and television receivers.

6 per cent: Certain iron and steel bars.

The tax was increased from 2 to 3 per cent on silver-smiths' wares; iron and steel fittings for doors; furniture, etc.; non-electric stoves of iron and steel; copper nails, screws, locks, fittings and kitchen utensils; insulated cables and wire for electricity. Increases from 2 per cent to 4 per cent are provided for aluminum capsules, tubes and kitchen utensils; harvesting, threshing and similar agricultural machinery; and from 3 per cent to 4 per cent for rubber pipes and tubing combined with metals and textiles, and for prepared colours and varnishes.

The import tax has been abolished on steel locks for automobile doors; certain cast iron manufactures; welding torches; pneumatic tire valves; starting apparatus and generators for automobiles.

The Belgian sales tax on imports was originally reported in "Foreign Trade" of April 4, 1953. Information as to the tax on individual imports into

Belgium may be obtained from the International Trade Relations Branch of the Department.

Federation of Rhodesia and Nyasaland

NEW TARIFF—On July 1, 1955, a new tariff came into effect in the Federation of Rhodesia and Nyasaland. This tariff will apply to the whole of the Federation and will replace the tariffs previously in existence for the territories of Southern Rhodesia, Northern Rhodesia and Nyasaland. The rates of duty applicable to Canada in the new tariff are generally similar to those in the previous tariff of Southern Rhodesia. The new rates of duty on individual products may be obtained on application to the International Trade Relations Branch, Department of Trade and Commerce.

Jamaica

DOLLAR IMPORT SCHEME—Jamaica has announced a special scheme under the Colony's Dollar Import Program which will allow \$2 million worth of additional imports from Canada and the United States during the remainder of 1955. Dollar import quotas will be given to local importers on the basis of their import performance during 1954. The list of eligible commodities follows very closely that for the B.W.I. Trade Liberalization Plan, and quota holders may purchase from any supplier in the dollar area. The Jamaican Government will administer this relaxation in restrictions. Canadian firms wishing to obtain some of this additional business should make the necessary arrangements through their agents in Jamaica.

Ireland

IMPORT CONTROLS—By four Orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts, 1934 and 1937, further quotas and quota periods have been announced as follows:

Pneumatic tires for motor vehicles: 30,000 articles as against 35,000 articles for previous six months.

Pneumatic tires for bicycles: 50,000 articles. Quota unchanged from previous six months' period.

Inner tubes for motor vehicle tires: 15,000 articles. Quota unchanged from previous six months' period.

Inner tubes for bicycle tires: 25,000 articles as against 22,000 articles for previous six months.

The quota period fixed in all of the above cases extends from August 1, 1955, to January 31, 1956.

AUGUST 6, 1955

Pakistan

IMPORT POLICY ANNOUNCED FOR JULY-DECEMBER 1955—The import policy for the shipping period, July-December 1955, was announced on June 28 in a Public Notice and published in *The Gazette of Pakistan* on that date. Under the new policy, import licences are proposed to be issued for some 150 items as compared with 311 items in January-June 1955. The licences for these items will be valid for imports from all countries.

The reduction in the number of items is partly due to the consolidation of 109 individual items into 34 broader commodity groups and partly to the omission of 52 items for which no quota is provided or which are now being produced in Pakistan. A few additions have been made to the schedule of licensable goods.

Items which continue to be licensable for July-December 1955 shipping period include the following:

Special types of iron and steel, non-ferrous metals and ferro-alloys, tools and workshop equipment;

Ammunition including lead shots and cartridges; explosives;

Books, all sorts, and journals, magazines and other periodicals including daily newspapers;

Asbestos sheets and other manufactures; all sorts of wood and timber; fibre boards, hard boards, insulating boards; all kinds of cement; fire bricks; all sorts of tiles and bricks; all sorts of building and engineering materials other than those made of iron or wood and silica sand;

All sorts of chemicals; unspecified drugs and medicines; all kinds of coal tar dyes, dyeing and tanning substances, gas black and carbon black;

Electric lamps (bulbs) specially designed for use in photographic instruments, automotive vehicles, torches, electro-medical apparatus and other instruments and appliances; specified electrical accessories; electric instruments, apparatus and appliances and parts and accessories thereof; accumulators and batteries and parts thereof including those used for motor vehicles and wireless apparatus;

Anchors and cables; cast iron pipes and fittings thereof; builders' hardware; iron and steel bolts, nuts and screws, rivets, nails and washers, wire rope and wire strands, and wood screws;

All sorts of scientific instruments, apparatus and appliances and component parts and accessories thereof, including weighing scales, weigh bridges, clinical thermometers and other instruments;

Alcoholic drinks (including rum and gin) and all sorts of unspecified drinks;

Typewriters and parts thereof, office machines and office equipment;

All sorts of packing for engines and boilers; ball, roller and taper bearings; all kinds of machinery and millwork and parts and accessories thereof; tractors and mechanical farming equipment, including trailers and attachments thereof and parts and accessories of tractors and of mechanical farming and agricultural equipment;

Newsprint; all sorts of paper, including printing paper, pasteboard, millboard, cardboard and strawboard; paper cartons and packets only; photographic films, plates and paper including all kinds of sensitized paper; photographic instruments, apparatus and appliances and parts and accessories thereof;

Milk food for infants, malted milk and ovaltine; unspecified patent and farinaceous foods excluding vermicelli, spaghetti and macaroni; barley malt in bulk;

Unspecified rubber tires and tubes and rubber patches and solution; all sorts of rubber manufactures; synthetic rubber (unwrought);

Ball point pens with refills and fountain pen nibs; copying and coloured pencils; printers' ink; all sorts of stationery;

Tobacco manufactures; tobacco unmanufactured; second-hand clothing;

Motor cars (left hand drive only); motor cycles and motor scooters; motor vans, omnibuses, lorries, trucks (knocked down), station wagons and motor vehicles (four-wheel drive 4 x 4); unspecified automotive conveyances; parts and accessories of all automotive conveyances; marine vessels and spares;

Unwrought plastic rods, tubes and other profiles and unwrought plastic sheets (10/1000' and above); nylon bristles, fibre and monofilament; viscose, packing and wrapping films and plastic wrapping films.

A few items have been added to the list of licensable goods as follows:

Refills for vacuum flasks; chaff-cutter knives; food colours; nylon gut and twine.

Items which are omitted from the list of permissible imports for the current shipping period include:

All sorts of hosiery; apparel and haberdashery; household linen; arms;

All kinds of cables and wires; bare or insulated having a sectional area (bare or core) of 1/80th square inch and above; unspecified electric cables and wires;

Wireless reception instruments and parts and accessories thereof including aerials; all sorts of wireless reception instruments unassembled and parts and accessories thereof required for assembly;

Pressure lamps; domestic refrigerators and parts thereof; domestic sewing machines and knitting machines; linseed oil; pigments and dry colours; all sorts of painters' materials;

Cheese; milk, condensed or powdered;

All sorts of twist yarn, thread and twine; silk fabrics; artificial silk fabrics; fents; fire-fighting hose; tarpaulins; parachutes and cord;

Aeroplanes and parts and accessories thereof;

Thermoplastic moulding compounds.

The complete list of items for which import licences will be issued may be obtained upon request from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF

—It was announced on July 8 that the South African Board of Trade and Industries had received the following representations respecting the tariff:

Increase in duty on:

1. Lavatory cisterns from various rates of duty to 35 per cent ad valorem.
2. Luminous tube transformers up to KVA from free of duty (minimum rate) and 5 per cent ad valorem (intermediate rate) to 20 per cent and 25 per cent ad valorem, respectively.
3. Uncut and semi-cut moquette of nylon or rayon or containing nylon or rayon, to 20 per cent ad valorem.
4. Precious jewellery, from 20 per cent ad valorem to 30 per cent ad valorem.
5. Electrical batteries of the accumulator type, imported separately or as parts of motor vehicles or tractors, from various rates of duty to 15 per cent ad valorem or 18s. each, whichever is the greater (in respect of the intermediate rate).
6. Stearic acid, from free of duty to 20 per cent ad valorem.

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of doing so is to request their representatives in South Africa to act on their behalf before the Board. Since these matters are normally reviewed soon after the announcements are made, it is advisable to take action as soon as possible. Firms making representations may wish to use the services of the Canadian Trade Commissioners in Johannesburg and Cape Town.

Tours of Territory

L. A. CAMPEAU, *Commercial Secretary in Stockholm, Sweden, plans to spend a week to ten days in Finland early in September.*

J. R. MIDWINTER, *Assistant Trade Commissioner in Guatemala City, Guatemala, will visit Panama City, August 28-September 4; San Jose in Costa Rica, September 4-11; Managua in Nicaragua, September 11-18, and San Salvador, September 18-22. Mr. Midwinter hopes also to visit David, a growing distribution centre in western Panama, and Leon, Masaya and the La Luz mining camp at Siuna, in Nicaragua.*

Businessmen interested in the areas these officers plan to visit should get in touch with them as soon as possible.

foreign trade service abroad

* No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	City Mutual Life Building, 60 Hunter Street, SYDNEY	<i>Mail:</i> P.O. Box 3952 G.P.O. <i>Cable:</i> CANADIAN <i>Tel.:</i> BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street, MELBOURNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MU 4716
Belgian Congo Angola, French Equatorial Africa	A. B. Brodie, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	<i>Mail:</i> Boîte Postale 373 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 11-33-88
Brazil	C. J. Van Tighem, Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	<i>Mail:</i> Caixa Postal 2164 <i>Cable:</i> CANADIAN <i>Tel.:</i> 42-4140
Brazil	M. P. Carson, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	<i>Mail:</i> Caixa Postal 6034 <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-6301
*Ceylon	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Garden, COLOMBO	<i>Mail:</i> P.O. Box 1006 <i>Cable:</i> DOMCANADA <i>Tel.:</i> 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	<i>Mail:</i> Casilla 771 <i>Cable:</i> CANADIAN <i>Tel.:</i> 64189
Colombia Ecuador	A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	<i>Mail:</i> Apartado 1618 <i>Airmail:</i> Apartado Aereo 3562 <i>Cable:</i> CANADIAN <i>Tel.:</i> 12-251
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre Calle Infanta 16, HAVANA	<i>Mail:</i> Apartado 1945 <i>Cable:</i> CANADIAN <i>Tel.:</i> UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Legation 4 Trondhjems Plads, COPENHAGEN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	<i>Mail:</i> Apartado 451 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	<i>Mail:</i> Kasr el Doubara Post Office <i>Cable:</i> CANADIAN <i>Tel.:</i> 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary	3 rue Scribe, PARIS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> OPERA 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Bonn 21971
Greece Israel, Turkey	Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	<i>Mail:</i> P.O. Box 444 <i>Airmail:</i> P.O. Box 400 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5590
Haiti	Charge d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	<i>Mail:</i> P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Tel.:</i> 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Tel.:</i> 40191
India	D. M. Holton, Canadian Government Trade Commissioner Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Tel.:</i> 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor M. S. Strong, Commercial Secretary (Fisheries) W. R. Van, Commercial Secretary	Canadian Embassy, Via Saverio Mercadante 15, ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 846-842
Jamaica Bahamas, British Honduras	R. R. Parlour, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	<i>Mail:</i> P.O. Box 225 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2858

Territory	Officer	City Address	Mail and Cables, Office Telephone
Japan Korea	Commercial Counsellor R. F. Renwick, Commercial Secretary	Canadian Embassy, Tokyo	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 48-4116
Japan	Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, Kobe	<i>Mail:</i> P.O. Box 513 <i>Cable:</i> CANADIAN <i>Tel.:</i> 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, Beirut	<i>Mail:</i> Boîte Postale 2300 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, Mexico, D. F.	<i>Mail:</i> Apartado 126-Bis <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Commercial Secretary	Canadian Embassy, Sophialaan 1-A, The Hague	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 18-51-06
Netherlands Belgium, Luxembourg	C. J. Small, Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Tel.:</i> 70-644
Norway Iceland	J. L. Mutter, Commercial Counsellor	Canadian Legation, Fridtjof Nansens Plass 5, Oslo	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	<i>Mail:</i> P.O. Box 3703 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, Lima	<i>Mail:</i> Casilla 1212 <i>Cable:</i> CANADIAN <i>Tel.:</i> 71150
Philippines	Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building, Juan Luna Street, Manila	<i>Mail:</i> P.O. Box 1825 <i>Cable:</i> CANADIAN <i>Tel.:</i> 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48-1°D, Lisbon	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 53117
Rhodesia and Nyasaland Kenya, Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. Salisbury	<i>Mail:</i> P.O. Box 2133 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, Singapore	<i>Mail:</i> P.O. Box 845 <i>Cable:</i> CANADIAN <i>Tel.:</i> 7739

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal) Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	<i>Mail:</i> P.O. Box 715 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa,	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	<i>Mail:</i> P.O. Box 683 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edificio España, Avenida de Jose Antonio 88, MADRID	<i>Mail:</i> Apartado 117 <i>Cable:</i> CANADIAN <i>Tel.:</i> 22-28-10
Sweden Finland	Commercial Counsellor L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	<i>Mail:</i> P.O. Box 14042 <i>Cable:</i> CANADIAN <i>Tel.:</i> 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	W. Van Vliet Commercial Secretary Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	<i>Mail:</i> P.O. Box 125 <i>Cable:</i> CANADIAN <i>Tel.:</i> 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor G. H. Rochester, Commercial Secretary (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Commercial Secretary W. G. Pybus, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING <i>Tel.:</i> Whitehall 8701 <i>Cable:</i> TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	<i>Mail:</i> (City Address) <i>Tel.:</i> 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor E. H. Maguire, Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave. N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary		
	D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Tel.:</i> JUDson 6-2400
	C. R. Gallow, Consul and Trade Commissioner		
	C. E. Butterworth, Vice Consul and Trade Commissioner		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> HANcock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	F. H. Palmer, Consul General	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> STate 2-7312
	G. A. Newman, Deputy Consul General (Commercial)		
	R. V. N. Gordon, Consul and Trade Commissioner		
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> WOODward 5-2811
	Vice Consul and Assistant Trade Commissioner		
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> VANDike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	Consul General and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> RAYmond 2136
	A. A. Caron, Consul and Trade Commissioner		
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> SUTter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MUtual 3515
Uruguay Paraguay Falkland Islands	Commercial Secretary	Canadian Embassy, Caja Nacional de Ahorro Postal, Calle Colonia 1013, 7° Piso, MONTEVIDEO	<i>Mail:</i> Casilla Postal 852 <i>Cable:</i> CANADIAN <i>Tel.:</i> 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	<i>Mail:</i> Apartado 3306 <i>Cable:</i> CANADIAN <i>Tel.:</i> 43431
	F. B. Clark, Commercial Secretary		
	A. G. Kniewasser, Assistant Commercial Secretary		

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalent multiply by 1.01684.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 22	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Preferential buying .....	.1311	7.63	
		Basic buying .....	.1967	5.08	
		Preferential selling .....	.1967	5.08	(1)
		Basic selling .....	.1311	7.63	
		Free .....	.07056	14.17	
Australia	Pound .....	.....	2.1900	.457	
Austria	Schilling ...	.....	.03782	26.44	
Belgium- Luxembourg	Franc .....	.....	.01952	51.23	
Belgian Congo	Franc .....	.....	.01952	51.23	
Bolivia	Boliviano ...	Official .....	.00518	193.20	
British West Indies	Dollar .....	.....	.5703	1.75	(3)
	Pound .....	.....	2.7375	.365	(4)
	Dollar	British Honduras .....	.6844	1.46	
Brazil	Cruzeiro ...	Effective selling			
		Category I	.01098*	91.09*	tax 10% (2)
		Category V	.00364*	274.95*	*July 5
		Official buying .....	.05356	18.67	(5)
Burma	Kyat .....	.....	.2062	4.85	
Ceylon	Rupee .....	.....	.2053	4.87	
Chile	Peso	Official .....	.00492	203.38	(1)
Colombia	Peso	Basic .....	.3934	2.54	(6)
		Free .....	.2422	4.13	
Costa Rica	Colon	Official .....	.1751	5.71	
		Controlled free .....	.1481	6.75	
Cuba	Peso .....	.....	.9834	1.017	tax 2% (2)
Czechoslovakia ...	Koruna .....	.....	.1366	7.32	
Denmark	Krone .....	.....	.1424	7.02	
Dominican Republic	Peso .....	.....	.9834	1.017	
Ecuador	Sucre	Official .....	.06557	15.25	
		Free .....	.05668	17.64	
Egypt	Pound	Official	2.8240	.354	(7)
Fiji	Pound .....	.....	2.4662	.405	
Finland	Markka .....	.....	.00428	233.86	
France	Franc .....	.....	.00281	355.87	(8)
French Africa	Franc .....	.....	.00562	177.94	(9)
French Pacific	Franc .....	.....	.01546	64.68	(10)
Germany	D Mark .....	.....	.2335	4.28	
Greece	Drachma .....	.....	.03278	30.51	
Guatemala	Quetzal .....	.....	.9834	1.017	
Haiti	Gourde .....	.....	.1967	5.08	
Honduras	Lempira .....	.....	.4917	2.03	
Hong Kong	Dollar	Free .....	.1695	5.90	*July 8
Iceland	Krona	Official .....	.06039	16.56	
		Special buying .....	.04760	21.01	
		Special selling .....	.03761	26.59	(11)
India	Rupee .....	.....	.2053	4.87	
Indonesia	Rupiah	Basic .....	.08615	11.61	(12)
Iran	Rial	Certificate .....	.01298	77.03	
Iraq	Dinar .....	.....	2.7536	.363	
Ireland	Pound .....	.....	2.7375	.365	
Israel	Pound .....	.....	.5464	1.83	
Italy	Lira .....	.....	.00158	633.71	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 22	Units per Canadian dollar	Notes (See below)
Japan	Yen		·00273	366·03	
Lebanon	Pound	Free	·3035	3·29	
Mexico	Peso		·07867	12·71	
Netherlands	Guilder		·2575	3·88	
Netherlands Antilles	Guilder		·5189	1·93	
New Zealand	Pound		2·7375	·365	
Nicaragua	Cordoba	Effective buying	·1490	6·71	
		Official selling	·1395	7·17	
Norway	Krone		·1377	7·26	
Pakistan	Rupee		·2972	3·36	
Panama	Balboa		·9834	1·017	
Paraguay	Guarani	Basic	·04683	21·35	(1)
		With Surcharge I	·03642	27·46	
		With Surcharge II	·02732	36·61	(13)
		Certificate	·05176	19·32	
Peru	Sol		·4917	2·03	tax 17% (2)
Philippines	Peso		·03432	29·14	(14)
Portugal	Escudo		·3934	2·54	
El Salvador	Colon				
Singapore & Malaya	Straits dollar		·3194	3·13	
South Africa (Union of)	Pound		2·7375	·365	
Spain & Dependencies ...	Peseta	Basic buying	·04491	22·27	
		Basic commercial selling	·05987	16·70	(1)
		Free	·02525	39·60	
Sweden	Krona		·1901	5·26	
Switzerland	Franc		·2295	4·36	
Syria	Pound	Free	·2755	3·63	*May 16
Thailand	Baht	Free	·04397	22·74	*May 27 (1)
Turkey	Lira		·3512	2·85	
United Kingdom ..	Pound		2·7375	·365	
United States	Dollar		·9834	1·017	
Uruguay	Peso	Official	·6474	1·54	tax 6% (2)
		Basic buying	·5525	1·81	(1)
		Special buying	·4185	2·39	
		Basic selling	·5176	1·93	
		Special selling	·4014	2·49	
Venezuela	Bolivar		·2936	3·41	
Yugoslavia	Dinar		·00328	305·06	

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar depending on product.
6. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality.
7. Egypt: Egyptian exporters receiving payment in dollars are granted Entitlements authorizing purchase of exchange for dollar imports. Effective rate for imports into Egypt is official plus premium (average of 13.5 per cent in May) on Entitlements.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: Basic rate applies to all exports and essential imports. Purchase of exchange for other imports is subject to exchange surcharges of 33½, 100 or 200 per cent depending on product.
13. Paraguay: Basic rate applies to most Paraguayan exports.
14. Portugal: Approximately same rate for Portuguese Territories in Africa.



transportation notes

Argentina

RAILWAY SERVICES—A government plan to reconstruct the railway services of the federal capital and greater Buenos Aires has been announced. The plan proposes that all lines and stations, both freight and passenger, be removed from the federal capital itself and that terminal stations at the entrances to the city be substituted. Certain lines will also be electrified. The cost of the changes is estimated at 3.1 billion pesos. Part of this sum would be obtained by the sale of property which, it is estimated, would produce 800 million pesos in the federal capital and a further 1.36 billion pesos in the remainder of greater Buenos Aires—Buenos Aires, July 8.

Cuba

WEEKLY SERVICE FROM MONTREAL—The beginning of another fortnightly service between Montreal and Latin American ports, operated by Flota Mercante Grancolombiana, now provides Canadian exporters to Cuba with a joint weekly service to Havana. The combined schedules of the Swedish American Line from Montreal to Havana—calling at Three Rivers, Quebec, and Dalhousie—and the Grancolombiana from Montreal to Havana—calling at Three Rivers, Quebec, Halifax and Boston—mark an important forward step in fast freight service from eastern Canadian ports—Havana, July 4.

Federation of Rhodesia and Nyasaland

NEW RAILWAY—The new railway which gives the Federation a second outlet to the sea through Portuguese East Africa will be officially opened on August 1st. It should go a long way to relieve the heavy freight congestion in Beira, previously the sole port in Portuguese East Africa through which goods destined for the Federation could pass. Officials of the Federation and Portuguese East Africa are trying to work out satisfactory rail rates for the new line so that the laid-down cost of merchandise will be comparable with that arriving via Beira—Salisbury, July 12.

Italy

NEW PIER FOR TANKERS—A new type of steel structure with sand filling has been used to construct

a 900-foot long pier at La Spezia for the docking of tankers with a capacity of 35,000 tons. The cost of the pier will total about \$800 thousand. This, it is estimated, is \$300 thousand cheaper than if the pier had been built with concrete or masonry. Pipelines will allow the pumping of 2,000 tons an hour, compared with the 800-ton-an-hour capacity of the present installations—Rome, July 15.

Northern Ireland

PORT FACILITIES AT BELFAST—A sharp increase in direct foreign shipments since the ending of government control on some imports has made it necessary to provide greater accommodation for deep-sea vessels at the port of Belfast. The Harbour Commissioners will construct a new quay on the east side of the Herdman Channel at a cost of £1,100,000. The quay, which will take about two years to complete, will include a 1,100-foot shed, railway lines and crane track. Deep-sea berthage at Belfast was last increased in 1942-43 with 2,000 feet of quay and three sheds at Pollock Dock but part of this is now being used by the cross-Channel trade. Vessels arriving at the port from January 1 until May 14, 1955, totalled 2,022,363 tons, an increase of 133,720 tons over the same period in 1954. Coastwise and cross-Channel traffic increased by 75,905 tons, and foreign shipping by 66,931—Belfast, July 12.

South Vietnam

LINK WITH CHINA—The seaport of Haiphong, the only major harbour in the Democratic Republic of Vietnam, may also prove important to Mainland China. Previously linked by rail to Hanoi (inland to the west), Haiphong has now also been linked to China with the completion of a railway line north from Hanoi into Yunnan province in southwest China. A railway agreement just concluded provides for in-transit traffic from August 1st. Chinese shipping using Haiphong will not run the risk of Chinese Nationalist blockading. The Vietnam port may even lessen Hong Kong's importance to South China. In the past, Haiphong has easily handled two million tons of shipping a year—Hong Kong, July 5.



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Businessmen ready to put the A B C's into action can get valuable help from the Trade Commissioner Service. The Service, at headquarters in Ottawa and in 54 cities throughout the world, can help you assess the market, plan your itinerary, introduce you to foreign businessmen and advise you on the appointment of agents. For these and many other services, write to the Director, Trade Commissioner Service, Department of Trade and Commerce, Ottawa—just before you go out and sell.